As of 11 a.m. ET **DJIA** 10270.70 ▼ 1.49% **FTSE 100** 5267.70 ▼ 1.39% **Nikkei 225** 9549.47 ▼ 1.32% **Shanghai Comp.** 3320.61 ▲ 0.53% **Hang Seng** 22643.16 ▼ 0.86% **Sensex** 16785.65 ▼ 1.25% **S&P/ASX 200** 4749.20 ▲ 0.22%

A Cut Above: Sushi masters and their craft
WEEKEND JOURNAL W8

The rising yen is costing Japan dearly
EDITORIAL & OPINION 11

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Incl PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Sirs180(Incl VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50
KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK. MENPEN R.I. NO: 01/SK/MENPEN/SCU/1998 TGL 4 SEPT 1998

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 59 (India facsimile VOL. 1 NO. 120) * * ASIA Friday - Sunday, November 20 - 22, 2009
DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Karzai is sworn in for a second term as Afghanistan's president

Getty Images

President Hamid Karzai passes an honor guard as he arrives for his inauguration ceremony at the presidential palace in Kabul. **Page 5**

Sony wagers online push will spur sales

By Daisuke Wakabayashi

TOKYO—As **Sony** Corp. scrambles to reassert its technological relevance, Chief Executive Howard Stringer is betting on a strategy for the electronics giant that focuses on adding online content to more of its gadgets.

Speaking at the first joint public appearance by Sony's new management team since a shake-up in February, Mr. Stringer said the Japanese giant is "moving faster than we've ever moved" to meet parallel challenges.

Sony is racing to close the gap with technology companies like **Apple** Inc. and **Amazon.com** Inc. that have used Internet services to enhance standalone electronics like digital-music players and electronic-book readers. Sony was a pioneer in both only to see it early advantage evaporate without a strong online component.

At the same time, Sony is trying to overhaul its core electronics division, a business encumbered by heavy overhead costs and an inefficient supply chain. This has put the company at a disadvantage to both conglomerates like **Samsung Electronics** Co. and upstarts like discount TV maker **Vizio** Inc.

To address the first issue, Sony plans to build upon its existing PlayStation Network online game and movie service to launch a platform, similar to Apple's iTunes, that links a greater number of Sony's devices with a content such as videogames, movies, music, digital books and third-party software applications.

Sony envisions a service accessible by TVs and Blu-ray disc players as well as mobile products, turning those hardware products into a platform for an ever-growing range of content. The company said the service would allow its TVs to "evolve" over time and provide revenue even after the initial sale.

Sony didn't disclose details like pricing or a rollout date. Currently, the PlayStation Network offers videogames and movies for its PlayStation 3 consoles and PlayStation Portable handheld device, though its offerings don't include music or software applications like iTunes. Sony said it would be in-

Please turn to page 14

■ Heard on the Street 28

'Phantom shares' plan haunts CICC

By Rick Carew

HONG KONG—Fresh details on **China International Capital Corp.**'s "phantom share" program have emerged, illustrating the complications it poses for potential buyers of **Morgan Stanley**'s stake in the Chinese investment bank.

The shares, granted to CICC's management as an incentive, offer dividends like ordinary shares but don't give their holders voting power or board representation. A confidential document sent by Morgan Stanley to bidders for its 34.3% stake, valued at more than $1 billion, confirms that CICC granted the equivalent of 20% of the firm's equity to management and employees in the form of phantom shares between 2004 and 2006, diluting the economic value of Morgan Stanley's 34.3% stake to 27.4%. A copy of the document was reviewed by The Wall Street Journal.

CICC and Morgan Stanley declined to comment.

Bidders submitted nonbinding indicative offers for the stake early this month, and due diligence for a shortlisted set of bidders is expected to get under way soon.

The original phantom-share program put in place was designed to give CICC's management an incentive to pursue an initial public offering, according to a person familiar with the situation. The plan was for the phantom shares to be converted into ordinary shares as part of an IPO that would provide other shareholders with a chance to exit their original investments at a profit.

The incentive didn't work. While CICC's board was eager to pursue a listing, management dragged its feet on drawing up an IPO timetable, according to a person familiar with the situation. This person says top managers worried that going public would force them to disclose compensation of senior employees and subject their decisions to the supervision of minority shareholders.

Please turn to page 14

Associated Press

Shares of China International Capital held by employees dilute Morgan Stanley's stake in the Chinese investment bank.

Announcing
The First OLTP Database Machine

Exadata V2
Hardware by Sun
Software by Oracle
ORACLE®
oracle.com/exadata
or call 1.800.ORACLE.1
Copyright © 2009, Oracle. All rights reserved.

PAGE TWO

What's News—

* * *

Business & Finance

■ **Singapore's economy** will rebound next year, expanding by as much as 5% after a deep slump this year, but the government said the recovery will be sluggish. It also revised up its inflation forecast, highlighting price pressures that some economists said could prompt the central bank to tighten policy as early as April. **4**

■ **The global recovery** will be stronger than expected, but it will take years to bring unemployment and government debt back to pre-crisis levels, the OECD said. **3**

■ **Ad revenue at China's** national broadcaster, CCTV, is poised to continue to rise in 2010, as domestic and international firms pledged to spend $1.6 billion. **15**

■ **Taiwan rejected a bid** to buy AIG's Taiwan unit Nan Shan Life Insurance by a consortium comprising Primus Financial and China Strategic Holdings. **15**

■ **China Minsheng Bank raised** $3.86 billion in its Hong Kong IPO after pricing the shares slightly above the middle of the indicative range. Meanwhile, Maxis made a solid debut on the Malaysian stock exchange as institutional investors snapped up shares of the mobile phone operator. **19**

■ **China Mobile is pinning** its hopes on new 3G services such as mobile television and mobile readers to drive growth as it faces increasing competition and falling voice revenue. **16**

■ **AOL plans to lay off** 2,500 employees through voluntary and involuntary cuts after its spinoff next month from Time Warner. **17**

■ **State-owned Russian bank VEB** is likely to take a stake in the IPO of Rusal, marking the first government ownership of the embattled aluminum giant. **20**

■ **China Investment Corp. aims** to tap rising demand for clean energy in the country by investing up to $1.21 billion in two firms in the renewable-energy sector. **21**

■ **South Korea unveiled** measures aimed at helping local firms better manage foreign-exchange risks and to reduce imbalances. **20**

■ **Private equity-firm Carlyle** said it invested more than $60 million in three Chinese high-growth companies, four months after it closed its fourth Asian growth fund. **19**

■ **A defendant accused** of exchanging a case of cash for inside information has ties to Galleon's former No. 2 executive. **21**

■ **Defense contractor DynCorp** said it may have violated U.S. law when it tried to speed up the issuance of visas related to work for the U.S. government overseas. **18**

■ **Efforts to encourage** Australian companies to sell retail debt securities have taken a backward step because of new regulations. **22**

■ **Stock market gains** in Hong Kong and overseas helped the exchange earn $9.28 billion in the third quarter, up from a loss a year earlier. **21**

* * *

World-Wide

■ **U.S. President Obama ended** a sometimes difficult trip to Asia with a cordial meeting with South Korean President Lee. **3**

■ **Afghanistan's Hamid Karzai** used his inauguration address to reassure the West that he will cleanse his government of corruption and buttress Afghan security forces so that they can take charge of the country's security within five years. **5**

■ **A suicide bomber in Pakistan** killed at least 19 people in the city of Peshawar on Thursday, the latest in a series of strikes. **5**

■ **Sri Lankan refugees ended** a standoff with Australian and Indonesian authorities when the last of the group agreed to file for asylum in Indonesia. **4**

■ **California created** the first energy-efficient standard for TVs, a move that could lead to a national standard. **7**

Associated Press

Malaysia's Second Finance Minister Ahmad Husni Hanadziah, center, hits a traditional Malay gong as Maxis Chairman Raja Arshad Raja Tun Uda, right, and Maxis CEO Maxis Sandip Das, left, look on during the launch of the company's IPO.

Inside

Alleged graft case sends tremors through New Delhi. **6**

Office technology: aging software and email limits. **8**

A hedge-fund king comes under siege. **12-13**

Is a property bubble emerging in China? **28**

ASIA ONLINE TODAY

Most read in Asia

1. U.S., China in Strained Diplomatic Pact
2. U.K. Declines on Corruption Index
3. Obama Arrives in South Korea
4. China Grapples With Yuan Pressure
5. A Hint of Hype, A Taste of Illusion

Most emailed in Asia

1. A Hint of Hype, A Taste of Illusion
2. Tech, Housing Woes Hurt Stocks
3. John Paulson Bets on Gold
4. No Time to Read This? Read This
5. U.S., China in Strained Diplomatic Pact

China Real Time

blogs.wsj.com/chinarealtime

China's Ministry of National Defense faced more than 2.3 million attacks on its Web site within a month of going online in August.

Continuing coverage

Keep up on developments in Pakistan's battle with insurgents at **asia.wsj.com**.

Video

blogs.wsj.com/chinarealtime

As President Obama searches for an exit strategy for Afghanistan, WSJ's Peter Spiegel says it's becoming clear that this won't necessarily involve a firm timetable, but will more likely involve other measures.

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 3595 7555; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 3292 4151; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

Obama finds a welcoming Seoul

Asian tour ends on positive note as U.S. and South Korean leaders cover common ground on trade, security

By Evan Ramstad And Jonathan Weisman

SEOUL—U.S. President Barack Obama ended a sometimes difficult trip to Asia on Thursday by figuratively embracing South Korea and literally embracing its president.

Mr. Obama and South Korean President Lee Myung-bak, whose administrations worked closely to respond to aggressive weapons testing by North Korea earlier this year, reaffirmed in a summit meeting their common views on security matters, and began to close a trade matter that has divided them.

The two leaders hugged when Mr. Obama arrived at the presidential Blue House and again at the end of their postsummit news conference, a setting where usually a handshake or pat on the back will do.

"Our alliance has never been stronger," Mr. Obama said in a speech to U.S. troops a short time after his meeting with Mr. Lee.

For Mr. Obama, the 20 hours he spent in South Korea were some of the easiest of a weeklong trip to Asia.

In Japan, he met new government leaders trying to cope with a controversy over U.S. military bases. At multinational summits in Singapore, he faced criticism about U.S. trade policies. And in China, he encountered leaders unwilling to give him the stage before the Chinese people they had provided to his two predecessors.

Looking back on the week as the presidential entourage was about to leave South Korea, one of Mr. Obama's top advisers, David Axelrod, told reporters, "We didn't come halfway across the world for ticker-tape parades. We came here to lay a foundation for progress. We've done that, so we believe it was a successful trip."

In Seoul, Mr. Obama and Mr. Lee showed they remain united in their approach to dealing with North Korea, which has troubled the U.S., South Korea and other countries with its relentless pursuit of nuclear weapons.

Mr. Obama announced a date—Dec. 8—for a visit by the U.S. envoy to North Korea, Stephen Bosworth, to Pyongyang to discuss the North's return to the six-nation aid-for-disarmament talks that also involve China, Japan, Russia and South Korea. But he said he and Mr. Lee want to break North Korea's cycle of acting belligerently and then expecting rewards for turning nice.

"North Korea behaves in a provocative fashion, and then is willing to return to talks," Mr. Obama said, describing the North's playbook. "It talks for a while and then leaves the talks seeking further concessions, and there's never actually any progress on the core issues."

He said the U.S. will end sanctions on North Korea if it "is taking serious steps around the nuclear issue."

In response to a question, Mr. Obama also said the U.S. and its allies will draft a package of sanctions "over the next several weeks" to show Iran, another country pursing nuclear weapons, "the importance of having consequences."

Mr. Obama also reached out to Mr. Lee over the free-trade agreement that the two countries reached in April 2007 but haven't ratified. In the U.S. last year, it got caught up in election politics. Some Democrats believe the pact doesn't do enough to even out the trade imbalance between the two countries, particularly in automobiles.

South Korea has long had a trade surplus with the U.S., chiefly because of its exports of high-value electronics and automobiles. At $13 billion last year, the surplus was far smaller than Japan's $73 billion surplus in U.S. trade and a fraction of China's $266 billion surplus.

Mr. Lee characterized the Korean surplus as "minuscule" and Mr. Obama agreed. "There's a tendency to lump all of Asia together when Congress looks at trade agreements and says it appears this is a one-way street," Mr. Obama said.

The trade agreement eliminates tariff and nontariff barriers in South Korea that U.S. auto makers and their congressional backers have complained about in the past. And it allows the U.S. to immediately reinstate tariffs on South Korean vehicles if it believes South Korea has created new nontariff barriers on American vehicles.

But U.S. critics frequently complain that South Korea's auto company, **Hyundai Motor** Corp. and its Kia subsidiary, sold 100 times as many vehicles in the U.S. than the three U.S. brands that operate in South Korea—Cadillac, Chrysler and Ford—did here last year, even though the U.S. market is only 13 times as large as South Korea's.

South Korean officials note half of the cars sold by Hyundai and Kia in the U.S. last year were made in the U.S. And they point out that U.S. critics of South Korea's auto situation tend to overlook **General Motors** Co.'s ownership of the South Korea's third-largest brand, Daewoo.

In response to a question at a news conference with Mr. Obama, Mr. Lee indicated a willingness to listen to U.S. proposals on changing the auto portion of the trade pact. But the government faces the public perception that the current deal shouldn't be renegotiated. As well, Mr. Lee's government is wary of appearing to kowtow to the U.S., a charge often leveled at him by opposition politicians, nationalist civic groups and some in the country's media.

But on Thursday, Mr. Obama asked for no favors from Mr. Lee and appeared grateful for the friendly welcome at the end of his Asia sojourn. When Mr. Lee presented Mr. Obama with a gift of a taekwondo outfit, Mr. Obama recalled lessons he took in the martial art when he was young. The two men then acted out taekwondo poses as cameras snapped.

Strong, but uneven, global rebound forecast

By Gabriele Parussini And Paul Hannon

PARIS—The global economic recovery will be stronger than previously expected, but it will be uneven and take years to bring unemployment and government debt back to their precrisis levels, the Organization for Economic Cooperation and Development said Thursday.

The think tank said in its latest economic outlook that it now expects the combined output of its 30 developed-country members to grow 1.9% in 2010, having forecast in June that it would expand by 0.7%. It expects even stronger growth in 2011, with the gross domestic product of its members growing by 2.5%.

But the main driver for the world economy is outside the OECD. Economic growth in China, which isn't a member of the OECD, is expected to expand more than 10% in 2010 and 9.3% in 2011. Within the OECD, the U.S. appears to be a key source of growth next year, with GDP growth of 2.5% more than doubling that of the euro area, which is expected to expand only 0.9%. Three euro-zone economies—Spain, Greece and Ireland—are expected to contract next year, the OECD said.

Of course, forecasts by the OECD and others are subject to uncertainty. Like other institutions and private-sector economists, the OECD vastly underestimated the severity of the global downturn this year. The current upswing could be stronger than the OECD predicts if employment recovers more quickly or rebounding asset markets translate into spending and investment. Or, economies could undershoot again if there is another crisis or if unemployment remains persistently high.

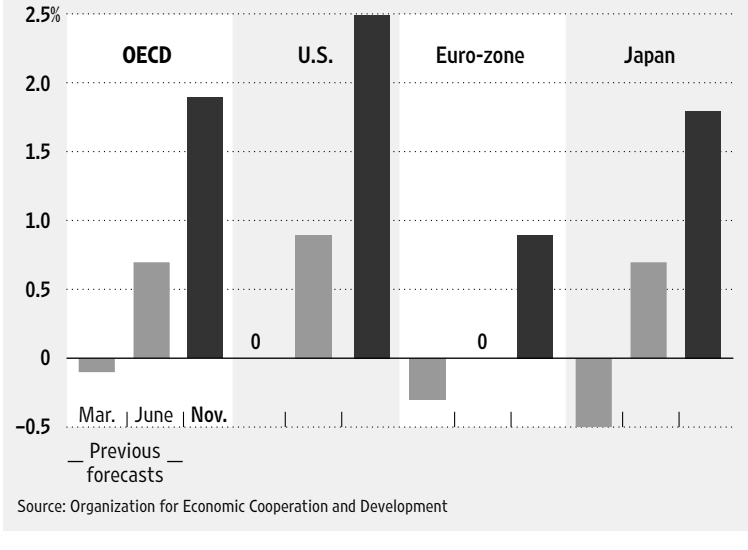
The OECD said the "unprecedented policy efforts" of governments and central banks have helped to limit the severity of the downturn and fostered a recovery that it said began in the third quarter.

The OECD said those policy makers should now plan for the removal of their stimulus measures, producing medium-term strategies that have enough credibility with investors to help keep interest rates low.

But it said leading central banks shouldn't begin to withdraw the stimulus they have provided until "well into" 2010, while the recovery should be secure enough by 2011 to allow most governments to begin the process of reducing their budget deficits.

"The recovery began a quarter earlier than we thought, and has more short-term strength," acting Chief Economist Jorgen Elmeskov said in an interview. "But tightening here and now could be detrimental: The economy is still weak and monetary policy is not in a position to offset a stricter fiscal policy."

—Brian Blackstone contributed to this article.



Singapore growth to revive in 2010

After a deep slump this year, economy should expand between 3% and 5%, the government forecasts, but risks remain

By Se Young Lee And P.R. Venkat

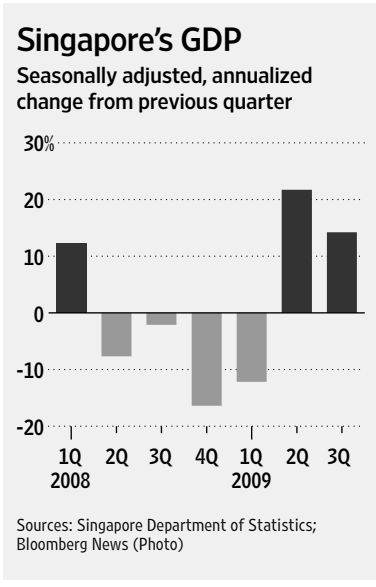
SINGAPORE—Singapore forecast its economy will rebound next year, expanding by as much as 5% after a deep slump this year, but said the recovery will be sluggish and fraught with risks.

The Ministry of Trade and Industry said the economy will likely grow between 3% and 5% in 2010. It also revised up its headline inflation forecast for 2010 to between 2.5% and 3.5% from 1% to 2% previously. The upgrade highlights incipient price pressures that some economists said could prompt the central bank to tighten policy as early as April.

"We see the recovery there continuing into 2010, but at a sluggish pace," said Ravi Menon, permanent secretary of the Ministry of Trade and Industry. "We do not expect the recovery to be smooth sailing."

The projected recovery next year by the small, export-dependent island state is another indication that Asia's economy is staging a comeback from its downturn late last year when the global financial crisis crippled its export markets.

The Singapore government retained its estimate that 2009 gross domestic product will contract by 2% to 2.5%. It did this even as it revised down seasonally adjusted quarter-to-quarter GDP growth to 14.2% in annualized terms in the third quarter from its previous estimate made in October of 14.9%.



The slightly slower pace of growth in the third quarter reflected weaker manufacturing output than initially estimated, but was in line with economists' median forecast.

"This forecast [for a 2009 GDP contraction] implies that growth in the fourth quarter of the year will contract relative to the third quarter. Does this imply a return to recessionary conditions? Not quite," Mr. Menon said.

He said the pullback in the fourth quarter should be seen in context of double-digit sequential growth in the third quarter as well as the 22% rise in the second quarter.

Mr. Menon said the Singapore government also will gradually scale back its stimulus measures.

Economists said the government's GDP growth forecast for next year is conservative, adding that there are more upside risks going forward.

"It is worth noting that even if total output were to be flat on a quarter-on-quarter basis in the fourth quarter and throughout 2010, GDP would still register 2.9% average growth next year thanks to the strong 2009 third quarter number which sets a good base for 2010," HSBC economist Robert Prior-Wandesforde said in a report, adding that he expects the economy to grow by 6.5% next year.

"We expect the government to revise up next year's growth projections significantly over time," he added.

Monetary Authority of Singapore Deputy Managing Director Ong Chong Tee said the Singapore dollar's recent gains against the U.S. dollar have been in line with its policy stance as well as gains posted by other Asian currencies.

Mr. Ong also said that the central bank's forecast for the underlying inflation measure is unchanged at 1% to 2% in 2010.

"There has not been any significant change in our assessment of underlying cost and price pressures in the economy from the time of the Monetary Policy Statement release in October," he said.

Nevertheless, economists said it will be difficult for the central bank to ignore rising cost pressures with the economic recovery under way and that the central bank will likely tighten policy in April.

—Sam Holmes contributed to this article.

Refugees agree to seek asylum in Indonesia

By Rachel Pannett

A monthlong standoff between a group of Sri Lankan asylum seekers, and Australian and Indonesian authorities ended late Wednesday, with the last 56 refugees agreeing to leave an Australian customs ship moored off Indonesia to have their asylum claims processed there.

"The Australian government welcomes the realization of the agreement between the prime minister and the Indonesian president that all those people rescued will disembark in Indonesia," Australian Home Affairs Minister Brendan O'Connor said.

The 56 were among 78 boat people rescued by the Australian Navy in Indonesian waters Oct. 18. They were taken by Australian customs officials to Indonesia's Riau Islands, but refused to disembark in an effort to draw attention to their right to asylum in a developed country.

Resolving the standoff relieves some of the political pressure on Australian Prime Minister Kevin Rudd, who has suffered a fall in voter support as he faces growing criticism for his handling of asylum seekers.

But the issues raised by a recent surge in asylum seekers to Australia are far from settled. Australian customs officials have intercepted three boats in as many days this week in waters off Western Australia. Around 80 new asylum seekers have been sent to an Australian refugee detention center on Christmas Island, near Indonesia, for processing.

Reuters

Indonesian police escort a Sri Lankan refugee as she carries a child to an immigration detention center in Tanjung Pinang on the island of Bintan.

The monthlong impasse ended after the refugees were reportedly promised resettlement, possibly in Australia, in as little as four weeks, if their asylum claims are valid. That drew fresh criticism from Australian opposition lawmakers that the refugees had been singled out by Australia's center-left Labor government for special, fast-tracked treatment—a move they argue could encourage more refugees to attempt to reach Australia by boat. Mr. Rudd denies the claims.

Twenty-two of the original 78 people aboard the Australian customs ship Oceanic Viking went ashore earlier this week, where their asylum claims already are being considered at a refugee detention center in Tanjung Pinang, the capital of the Riau Islands.

More than 40 boats, carrying more than 2,000 refugees have sought asylum in Australia so far this year, compared with just seven boats carrying a total of 161 people in 2008.

Other countries have seen an increase in political refugees this year, especially in Europe, as residents from Iraq and parts of Africa flee long-simmering conflicts. But for Asia, Australia is a destination of choice at a time when several Asian nations—including Afghanistan and Sri Lanka—have been experiencing turmoil.

Mr. Rudd is attempting to balance a tough stance against people-smuggling with a humane approach to refugees, relaxing some rules on asylum applications.

Critics argue that approach has created a perception among refugees that it is easier to relocate to Australia than elsewhere. At the same time, human-rights groups say Mr. Rudd's attempt to persuade neighboring governments, chiefly Indonesia, to work harder to cut off boat people before they reach Australian waters, is inhumane.

Karzai tells West he will meet demands

Afghan leader promises in inaugural address to fight corruption and get security ready for exit of coalition forces

By Alan Cullison And Anand Gopal

KABUL—President Hamid Karzai used his inauguration address Thursday to reassure the West that he will cleanse his government of corruption and buttress Afghan security forces so they can take charge of the nation's security within five years.

Mr. Karzai's speech was a virtual laundry list of promises that the increasingly disenchanted international backers of the Afghan president had hoped to hear. At the inaugural ceremony that began his second five-year term, Mr. Karzai pledged to force ministers to declare their assets, to reinvigorate the court system, and to fire senior officials engaged in the drug trade.

Promising an exit strategy for the U.S.-led coalition just as President Barack Obama is mulling his Afghan commander's request for 40,000 additional American troops, Mr. Karzai stressed that he wants an invigorated Afghan army to begin taking over parts of the country in the near future.

President Obama, who said this week he wants to end the Afghan war before the end of his presidency, and other Western leaders are pressing Mr. Karzai for a strategy that would eventually allow the 100,000 foreign troops here to go home. The Afghan army and police, however, are still badly lacking in men, equipment and training, and are rarely able to stand up on their own against the hardened Taliban-led insurgency.

Getty Images

Afghan President Hamid Karzai, left, arrives for the inauguration ceremony at the presidential palace in Kabul. He used his address to try to reassure the West.

In the next two years, Mr. Karzai said, he desires all private security firms—widely used by coalition forces to defend their bases and supply lines—to cede their functions to the Afghan government. After three years, the Afghans should be able to lead and conduct operations around the country, he said.

"The roles of the international troops will be gradually reduced and limited to support and training of Afghan forces," Mr. Karzai said. By the end of his five-year term, he added, Afghan forces should be "capable of taking the lead in ensuring security and stability across the country."

Right now, however, much of the country is in Taliban hands, and deadly insurgent attacks often occur inside Kabul. Mr. Karzai's inauguration took place amid a virtual lockdown of the Afghan capital. He took the oath of office in a white-columned hall in the heavily guarded presidential palace, where some key Western dignitaries, including U.S. Secretary of State Hillary Clinton, as well as Pakistani President Asif Ali Zardari, sat in the front row.

Mrs. Clinton, who made a previously unannounced trip to Kabul for the inauguration, said she was "very heartened" by Mr. Karzai's speech, which she praised for its detail. "I thought that the commitment that we heard today from President Karzai gives us all a very strong base on which to measure the actions taken by his government," Mrs. Clinton said. "He could have been very vague [about corruption] and talked about how we're all against it and we all want to end it. But he got much more specific and we're going to watch along with the people of Afghanistan how that's implemented."

The makeup of the U.S. delegation, however, betrayed some of the tensions between Mr. Karzai and Washington in the wake of August's fraud-marred presidential elections. Mr. Karzai's first inauguration five years ago was attended by then-Vice President Dick Cheney. Mr. Karzai's relations with the current vice president, Joe Biden, have been tense, and Mrs. Clinton was the highest-level U.S. official to attend.

Mr. Karzai tried to allay some of Washington's concerns during his 30-minute address, vowing to end the "culture of impunity" and dismiss corrupt officials.

But he also singled out the international aid system, saying a lack of "transparency and accountability in aid spending reduces people's trust and causes the spread of administrative corruption."

Mr. Karzai also used the speech to tout an initiative to persuade the armed opposition to join the government. The Afghan government will convene a Loya Jirga, or traditional Afghan grand assembly that is used to make important decisions, that will explore reconciliation strategies and open dialogue with the insurgents, he said.

Despite the promising rhetoric, many Afghans in Kabul were disillusioned with the inauguration proceedings.

Mr. Karzai's previous inaugural speech five years ago "addressed many of the same points," said Habibullah Rafeh, a policy analyst at the Kabul-based Afghan Academy of Sciences. "He is not presenting much that is new to the Afghan public. In many ways, his speech was addressed more to the international community than to ordinary Afghans."

Suicide bomber kills at least 19 in Pakistan

By Zahid Hussain

ISLAMABAD—A suicide bomber killed at least 19 people Thursday when he detonated explosives at the gate of a court complex in the city of Peshawar, the latest in a series of Taliban terror strikes to pound northwestern Pakistan.

The court building is in a heavily guarded part of Peshawar that has seen repeated militant attacks. It lies a few hundred meters from the residence of the top army commander in the region, who is overseeing a major offensive against the Taliban and al Qaeda.

The blast occurred when a police guard tried to stop the bomber from entering the grounds of the courthouse, officials said.

"The bomber started walking towards the gate after alighting from a taxi," said Nisar Marwat, a senior police officer in Peshawar. The guard, identified by officials as Khaista Gull, was among those killed, Mr. Marwat said.

He called the dead officer courageous and said casualties could have been higher had the bomber entered the crowded building, where hundreds of people were waiting at the time of the blast.

There was no immediate claim of responsibility for the blast. But suspicion quickly fell on the Taliban, who have carried out repeated terror strikes in Pakistan's towns and cities since early October.

The first strikes hit targets across the country, including the headquarters of the military outside Islamabad. But in recent weeks, the focus has shifted almost exclusively to the northwest, where the Taliban is strongest. Peshawar, the capital of the North West Frontier province, has been hit repeatedly.

Pakistan's military has sent about 30,000 soldiers—backed by fighter jets, helicopters and artillery—to try to conquer the major Pakistan Taliban faction, which is based in the South Waziristan tribal region on the Afghan border.

Commanders say they have pushed deep into the region, a base for militants fighting in Pakistan and Afghanistan, and should have the area subdued before year's end.

The Taliban have dismissed the army's claims of imminent victory and vowed to wage a guerrilla war in the region, where reporters aren't allowed to travel independently.

The offensive has displaced about 275,000 people, according to the United Nations.

Getty Images

A woman grieves outside a courthouse in Peshawar, Pakistan, following a suicide bomb blast that killed at least 19 people on Thursday.

WORLD NEWS

Local graft scandal rattles New Delhi

Jharkhand, one of India's poorest states, is embroiled in corruption allegations among largest the country has seen

By Krishna Pokharel

NEW DELHI—The state of Jharkhand was established in 2000 to give India's tribal people—among the poorest of India's underprivileged masses—greater representation in their own government.

Nine years later, key figures in the state's political machinery have been accused of money-laundering and corruption that an official involved in the investigation said could represent at least $500 million in misused funds. That would make it one of the largest corruption scandals India has seen.

The scale of the alleged corruption presents image problems for India ahead of Prime Minister Manmohan Singh's visit to the White House next week. In an appearance before a ballroom of foreign executives at a five-star hotel here this month, Mr. Singh stressed the government's efforts to increase transparency at the national level. Without referring to Jharkhand by name, he noted that governance at the state and local level left much to be desired.

At the center of the Jharkhand investigation is Madhu Koda, a 38-year-old tribal leader who has served on behalf of, or with the support of, both of India's major political parties. Mr. Koda, who was Jharkhand's chief minister from 2006 to 2008, is now a member of the lower house of Parliament in New Delhi.

In July, following a court-ordered investigation, state police accused Mr. Koda and three of his former cabinet colleagues of misusing public office to acquire assets police said were disproportionate to their known incomes. Five other individuals were accused of related charges. Federal officials plan to follow these accusations with formal charges in January, according to an official with the federal Income Tax Department, part of the Finance Ministry. The department is investigating transactions involving the granting of mining leases in Jharkhand, according to the official from the department.

Last month, the Finance Ministry's Directorate of Enforcement accused Mr. Koda and the eight alleged associates of money laundering, in a preliminary filing that will lead to formal charges

Mr. Koda denies any wrongdoing, said his lawyer, Rahul Kumar. Mr. Kumar said investigators haven't indicated how Mr. Koda allegedly got funds the Directorate of Enforcement alleges he invested overseas, or proved that he ever had such funds.

The son of a former laborer at a state mining company, Mr. Koda served as a minister in two state governments run by the Bharatiya Janata Party, the national party that now sits in opposition in Parliament in New Delhi. After leaving the BJP in 2005, he was elected to the state assembly, and became minister of mines in the BJP-led state government.

After bringing down that government when he and other independents withdrew their support, Mr. Koda moved into the post of chief minister—with support from the Congress party and its allies in the ruling United Progressive Alliance. Mr. Koda's own state government fell in 2008 when some allies withdrew their support.

Because of Mr. Koda's past association with both of India's major political parties, the graft investigation is creating unease in the capital. On Monday, Arun Jaitley, a member of the upper house of Parliament and a leading BJP figure, called on the federal government to disclose the names of all politicians suspected of having shared in Mr. Koda's alleged "loot."

Agence France-Presse/Getty Images

Madhu Koda, chief minister of Jharkhand state from 2006 to 2008, is at the center of investigations into alleged money-laundering and corruption.

A spokesman for the Congress party said Monday that the government had no tolerance for corruption and had supported Mr. Koda's government in Jharkhand with the best intentions.

Jharkhand has 40% of India's total mineral resources, according to the state government, but has struggled to convert attention from some of world's largest industrial companies into tangible development. As of August 2008, 73 companies had proposed investments totaling $63 billion for the development of resources in the state, but only $2.1 billion had been realized.

Tribal Indians, who make up 28% of Jharkhand's 27 million people, have blocked projects with demonstrations and other activism, saying their land is being taken for industrialization without adequate compensation. The annual per capita income in Jharkhand is $436, compared with $720 nationally. The literacy rate is 54%, among the lowest of all Indian states.

The spark for the corruption probe came from Durga Oraon, a graduate student and tribal member in Jharkhand, who was annoyed at the slow pace of development and the plight of the tribal residents, according to his lawyer, Rajiv Kumar.

In an affidavit filed in the Jharkhand High Court in November 2008, Mr. Oraon asked for a federal investigation of the assets of Mr. Koda and several other former ministers. Mr. Oraon submitted pages from a handwritten diary that he alleged Mr. Koda maintained to track his dealings. The diary entries reached Mr. Oraon through a defector from Mr. Koda's coterie, according to Mr. Oraon's lawyer.

Mr. Koda's lawyer says investigators have yet to verify that the diary entries belonged to Mr. Koda. Subsequent affidavits by Mr. Oraon alleged that Mr. Koda and other politicians benefited from kickbacks allegedly paid by mining companies granted leases in the state, Mr. Oraon's lawyer said. The court ordered an investigation, which led to the police accusations in July.

Opportunities are lost when White House and business fail to get along

[Capital Journal]

Gerald F. Seib

As Rodney King once said, famously and in a quite different context, "Can we all get along?"

Mr. King, the victim of a police beating in Los Angeles, was referring to race relations. But the same plea now could be applied to relations between the Obama administration and the business community.

That relationship, once so promising, has given way to an atmosphere of mistrust and suspicion, as evident from the comments of executives this week at The Wall Street Journal CEO Council, a gathering in Washington of about a hundred of the U.S.'s top chief executives.

It doesn't have to be this way, and some tentative steps may have been taken at the Council meetings to begin changing the atmosphere. If the tenor persists, though, it has real consequences, especially in missed opportunities to cooperate on jobs, education and the deficit.

Today's tone is strikingly different than it was just one year ago, when the Journal first brought together the nation's top CEOs in Washington in the wake of President Barack Obama's election. The magnitude of the economic crisis was becoming clearer, and the business leaders were virtually leaning forward in their seats, seeking help and reassurance as representatives of the new administration appeared.

As a group, in fact, the CEOs endorsed the idea of a big economic stimulus and the idea of a health-system overhaul. They soon got a giant stimulus package—endorsed by the U.S. Chamber of Commerce—and the second half of a multi-billion-dollar bailout of the financial system.

Yet the tone has grown sour. The CEOs complain that the administration, through the combination of its giant health plan and looming budget deficits, has created job-killing uncertainty on the cost and regulatory fronts. In the administration's populist flourishes, they say, it has stoked anti-business, even anti-free-enterprise emotions.

Financial executives sometimes don't seem to grasp the role their own failings have played in creating the political environment they now decry. Republican Sen. John McCain, no fan of the current administration, appeared before the CEOs and bluntly told them that much popular anger is directed at them, not just at Washington. He cited small-business owners, who lose their lines of credit while big banks are bailed out, and ask him: "Why are they too big to fail, and I'm too small to succeed?"

The virtue of the CEO Council meeting was that these issues were at least laid on the table. White House Chief of Staff Rahm Emanuel appeared and tried to offer reassuring words and openings for change.

"Let's talk honestly among friends," he told the CEOs. Acknowledging that executives are "nervous about tenor and tone," he suggested that may be in large measure an outgrowth of the administration's decisions to become a majority owner of General Motors Corp. and American International Group Inc.

But those moves, he said, were aberrations: "The president believes firmly that the capacity of the American economy grows and will grow because of what the private economy does. He did not come into office to be an investor in banks, to be an investor in the auto industry....Nobody wanted to do that."

The political reality, Mr. Emanuel said, is that taxpayers have been forced to sacrifice to save major financial institutions, and many feel "taken advantage of....In a democratic process somehow you've got to respond to that."

Broadly speaking, he insisted, President Obama's philosophy is that "the role of the government is to create an environment and the conditions so you can grow your business."

After Mr. Emanuel spoke, Cisco Systems Inc. Chief Executive John Chambers told his colleagues: "Clearly...there's a movement by the administration to listen a little bit more to business. And to miss this opportunity would be one we would look back on and say, 'Shame on us.' "

Both sides should hope for a better atmosphere, for current tensions bode ill in at least three important areas. The first is job creation, now Washington's top priority. Suspicions create uncertainty, and uncertainty translates into unwillingness to take a chance by hiring more workers.

Second, there could well be a missed opportunity to work together for education reforms on which the administration and business leaders appear to be in sync.

Third, and most critically, the two sides could blow a chance to work together to bring down destructive federal budget deficits. It's likely that the deficit monster, already causing problems for the dollar and jitters in financial markets, will be truly tamed only if both parties and both branches of government come together and agree to take shared political risks on spending and taxes. Business leaders—influential with both parties, but especially with the Republican opposition—should be part of the equation, throwing their weight behind the effort and politicians willing to take a chance.

That's one mission too important to miss because of a bad atmosphere.

WORLD NEWS

Iran's nuclear deal with West is imperiled

Foreign minister says Tehran won't send any of its uranium out of the country, battering Obama's bid to end standoff

By Chip Cummins And Jay Solomon

Iran's foreign minister appeared to renege on a pact that the U.S. had hoped would curtail the Islamic Republic's ability to build a nuclear bomb, dealing a blow to the Obama administration's efforts to try to resolve the West's standoff with Tehran.

Iranian Foreign Minister Manouchehr Mottaki said Wednesday in Tehran that Iran wouldn't send any of its uranium out of the country, as envisioned in a deal struck Oct. 1 between Iranian negotiators and counterparts from the U.S., France, Russia and the International Atomic Energy Agency.

Two United Nations Security Council diplomats said they view the deal as essentially dead, but expect council members to wait until the end of the year before pushing for fresh sanctions against Iran.

There is growing concern among Washington's European and Middle East allies that with the deal potentially evaporating, the White House's engagement policy toward Tehran is adrift. Mr. Obama has set a year-end deadline for Iran to respond to his overtures, but Western diplomats said there remains little confidence that China or Russia will agree to coercive action.

The U.S. has yet to significantly push its own allies to begin taking steps against Iran, arguing that Iran should be given more time. "We're headed towards crunch time on Iran in the next few months," said a Middle East diplomat involved in Iran diplomacy.

Agence France-Presse/Getty Images

Russia has pressed ahead with building a nuclear plant in Bushehr, 1,200 kilometers south of Tehran, despite Western concerns about Iran's nuclear program. Now, Iran appears to have reneged on a deal to send its uranium out of the country.

The uranium-enrichment deal was at first seen as a potential breakthrough in the Obama administration's diplomatic outreach to Iran. Washington has so far indicated it is willing to wait out discussions, but Western officials have said they aren't willing to offer significant alternatives to the pact. The White House now views next week's meeting of the IAEA's Board of Governors as a key moment to assess the way forward.

U.S. officials said the administration is walking a delicate diplomatic path. They acknowledge Iranian President Mahmoud Ahmadinejad appears to be using negotiations to limit U.N. pressure while working to legitimize his government domestically.

The White House wants to support moderate opposition forces inside Iran that have challenged the leadership since June elections that were widely viewed as rigged. At the same time, Washington wants to negotiate with the government, to have any hope of curtailing its nuclear activities through diplomacy.

The officials said Mr. Obama remains committed to ratcheting up pressure early next year, and that Washington is cobbling together a coalition of allies to punish Tehran even if Beijing and Moscow balk. The U.S. has also been talking with Saudi Arabia and the United Arab Emirates about how to utilize oil sales to pressure Tehran. "Our patience is limited. The president has made clear that at the end of the year we'll be able to decide" if Iran is serious, said Robert Einhorn, the U.S. State Department's top official on nonproliferation, last week. "April 2010 is too late."

U.S. and Western officials have publicly said they are awaiting a formal response by Tehran at the IAEA in Vienna before deciding how to proceed. Privately, U.S. and Western officials express much more pessimism.

New California rules to make TVs greener

By Rebecca Smith

California created the first energy-efficiency standard for television sets in the U.S., arguing that it needed to act because federal energy officials have been slow to confront the issue.

Under the standard adopted Wednesday by the California Energy Commission, no TV with a screen size less than 58 inches may be sold in the state after 2011 unless it meets limits on energy consumption. The standard tightens further in 2013. (Larger screens were left for future examination.)

Sets sold in California under the standard would consume 33% less electricity in 2011 and 49% less in 2013 than the average set sold today, according to the commission. The standard replaces a rule that only considered energy use when sets were in standby mode.

The move is the latest example of California's campaign to reduce energy waste and cut emissions from power plants. Once it takes effect, the rule is expected to save California consumers $1 billion a year in electricity costs and cut energy use by an amount equivalent to the output of one large power plant, according the commission.

It also could prompt Federal Trade Commission officials to consider similar national rules.

The California standard, which takes aim at energy-hogging liquid-crystal-display and plasma sets, was motivated by a finding that TVs now account for as much as 10% of home electricity use—equivalent to the electricity used by refrigerators.

The Consumer Electronics Association, a trade group, opposed the standard, saying that the FTC already is poised to act in the next couple of years and that manufacturers are working to make sets more energy efficient anyway.

"It's unnecessary," said Doug Johnson, a government-policy specialist for the CEA. He added that "a mandatory limit would stifle competition and harm consumers."

Vizio Inc., based in Irvine, Calif., was the only television maker to publicly endorse the rule.

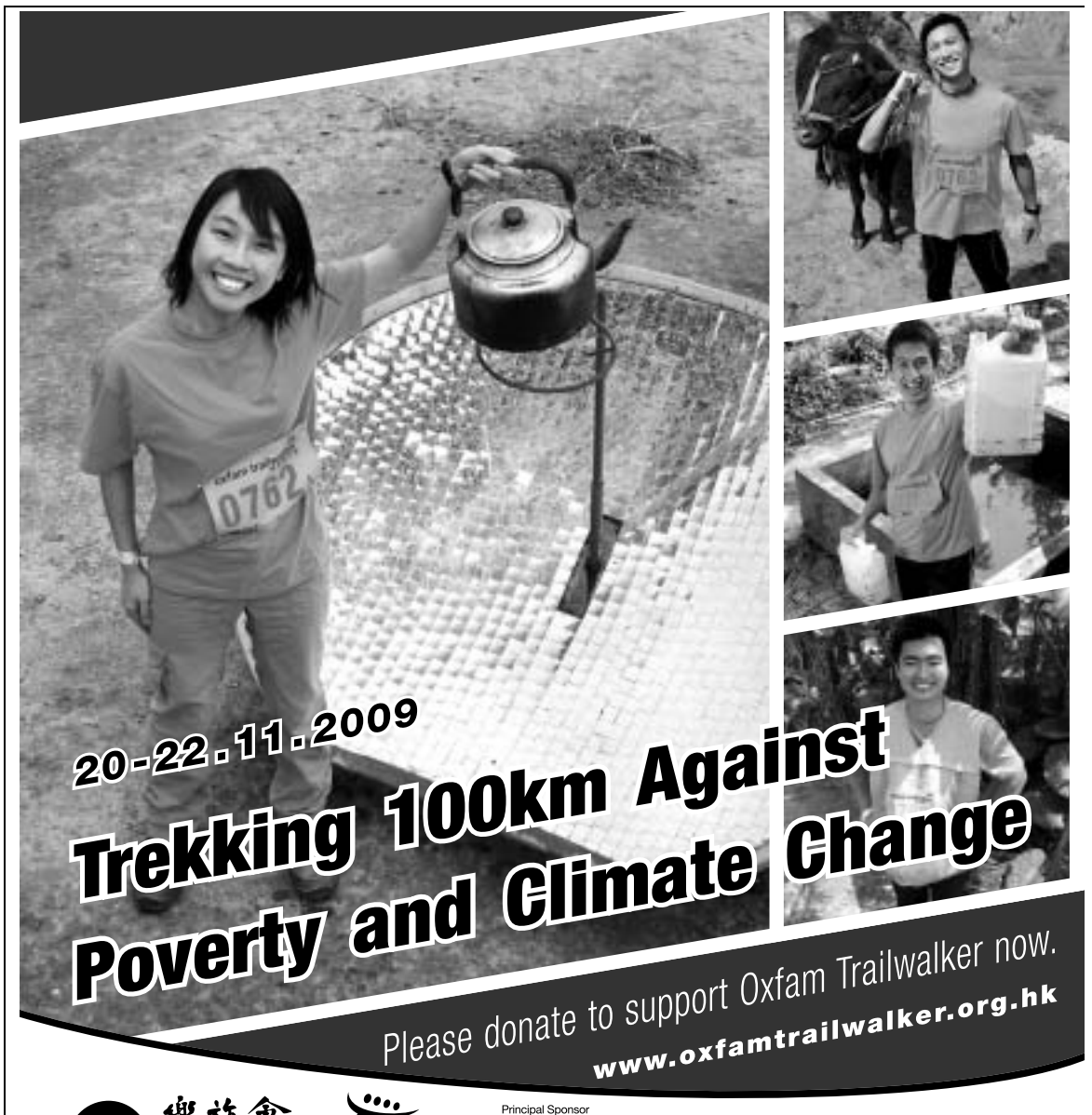
A **Sony** Corp. spokeswoman said the company has already accelerated its efforts to offer greener production and that its line of lower power consumption TVs has been well-received in the U.S. and other regions.

An **LG Electronics** Inc. spokeswoman said it has had success lowering the energy consumption of its products and it expects to be able to meet California's standard when come into effect.

About 30 million TV sets are sold each year nationally; between four million and five million are sold in California.

Commission staff said there will be no added cost to consumers because more than 1,000 products manufactured by dozens of makers already meet the 2011 standard.

—Evan Ramstad contributed to this article.



TECHNOLOGY

Office technology is so last year

Companies limit employees' choices for hardware and software, frustrating the electronically savvy

By Nick Wingfield

Viktor Koen

Does this sound familiar?

At the office, you've got a sluggish computer running aging software, and the email system routinely badgers you to delete messages after you blow through the storage limits set by your IT department. Searching your company's internal Web site feels like being teleported back to the pre-Google era of irrelevant search results.

At home, though, you zip into the 21st century. You've got a slick, late-model computer and an email account with seemingly inexhaustible storage space. And while Web search engines don't always figure out exactly what you're looking for, they're practically clairvoyant compared with your company intranet.

This is the double life many people lead: yesterday's technology for work, today's technology for everything else. The past decade has brought awesome innovations to the marketplace—Internet search, the iPhone, Twitter and so on—but consumers, not companies, embrace them first and with the most gusto.

Even more galling, especially to tech-savvy workers, is the nanny-state attitude of employers who block access to Web sites, lock down PCs so users can't install software and force employees to use clunky programs. Sure, IT departments had legitimate concerns in the past. Employees would blindly open emails from persons unknown or visit shady Web sites, bringing in malicious software that could crash the network. Then there were cost issues: It was a lot cheaper to get one-size-fits-all packages of middling hardware and software than to let people choose what they wanted.

But those arguments are getting weaker. Companies have an array of technologies at their disposal to give employees greater freedom without breaking the bank or laying out a welcome mat for hackers. "Virtual machine" software, for example, lets companies install a package of essential work software on a computer and wall it off from the rest of the system.

Some forward-thinking companies are giving employees more freedom to pick mobile phones, computers and applications for work—in some cases, they're even giving workers allowances to spend on outfitting themselves. The result, they've found, is more-productive employees. There's a reason professional chefs bring their own knives to work, rather than using a dull set of blades lying around the kitchen.

For a look at how sharp the divide between work and home can be, consider my experience. The Wall Street Journal gives me a laptop with Windows XP, an operating system I found satisfying when it came out eight years ago but that lacks a lot of modern touches, like a speedy file-search function. My home computer, meanwhile, is a two-year-old iMac running the Leopard version of Apple's Macintosh operating system. Among other virtues, it's got a search function called Spotlight that lets me track down files in a flash.

Or take email. Please. There's a limit on how much email employees can store on the company's system, and I routinely bump into it. So, I need to spend time hunting through old notes in Microsoft Outlook and deciding what to keep and what to delete, or risk a shutdown of my account. I'm not the only one; a colleague told me she often receives messages with large attached files that overload her inbox while she's asleep. That means she can't receive any more mail until she gets into the office in the morning and cleans out her messages.

Limits like those are tough to swallow when you consider how generous free email services are. In nearly five years, for instance, I've used only about a quarter of the storage space in my personal Gmail account from Google Inc., despite almost never deleting messages.

When they get fed up with work technologies, employees often become digital rogues, finding sneaky ways to use better tools that aren't sanctioned by the IT department. In my case, I've installed a search engine called Google Desktop that lets me quickly scour my hard drive for files, and a product by Xobni Corp. that does something similar for Outlook email, even though neither is approved by my IT department. And those programs have made a world of difference. In a simple test, it took Outlook two minutes to track down an email from a few months ago, based on a few search terms. Xobni found the message before I finished typing the words.

The Journal declined to comment on its policies. But even with the potential for productivity gains from newer technologies, it's tough for many enterprises to stomach the prohibitive costs of a companywide upgrade to the latest software and hardware, especially during the current economic downturn. Research firm Gartner Inc. estimates enterprises will cut technology purchases by 6.9% this year, which would be the biggest decline on record.

The rise of the consumer market means people have gotten a lot smarter when it comes to technology—and a lot less patient with substandard stuff at the office. Even with the weak economy, companies will find it harder to recruit savvy workers if they don't let them use their favored technology.

Some companies have decided the best solution is to start giving workers what they want. Until a couple of years ago, Kraft Foods Inc., the consumer-goods giant, had a rigid approach to workplace technology that was typical of many big companies: It locked down PCs so employees couldn't install software on their own, and it prevented them from accessing sites such as YouTube and Facebook.

Executives began to worry that the company's technology policies were preventing employees from staying in step with trends. Kraft was a consumer company, they figured, so workers needed to be more familiar with the technologies that consumers were using.

So, the IT department stopped blocking access to consumer Web sites, and the company started a stipend program for smart phones: Workers get an allowance every 18 months to buy a phone of their choosing. Kraft also has started a pilot program to let some of its employees pick their own computer. One catch: Employees who choose Macs are expected to solve technical problems by consulting an online discussion group at Kraft, rather than going through the help desk, which deals mainly with Windows users.

"The win for Kraft is employees are more productive if they use devices they're familiar with," says David Diedrich, vice president of information-systems technology, security and workplace services at Kraft.

Still, financial-services companies, law firms and others may feel the need to maintain stricter control, for regulatory and legal reasons. Even some companies moving toward letting employees choose their own computers, like consumer-goods maker Unilever PLC, say the policy won't work for every employee inside a business. One reason: Many companies offering free choice ask workers to troubleshoot technical problems, and some people simply aren't up to the task.

WSJ.com

Nick Wingfield discusses why companies are giving employees more control over the technology they use at **WSJ.com/Reports**

TECHNOLOGY

Solar panel makers seek local ties

SunPower and Suntech build out dealer networks in the U.S. to establish brands; building loyal customer base

By Jerry A. DiColo

Solar panel makers, taking cues from industrial products like Trane air-conditioners and Andersen windows, are racing to roll-out networks of installers across the U.S. and internationally as they try to establish their brands in the residential market.

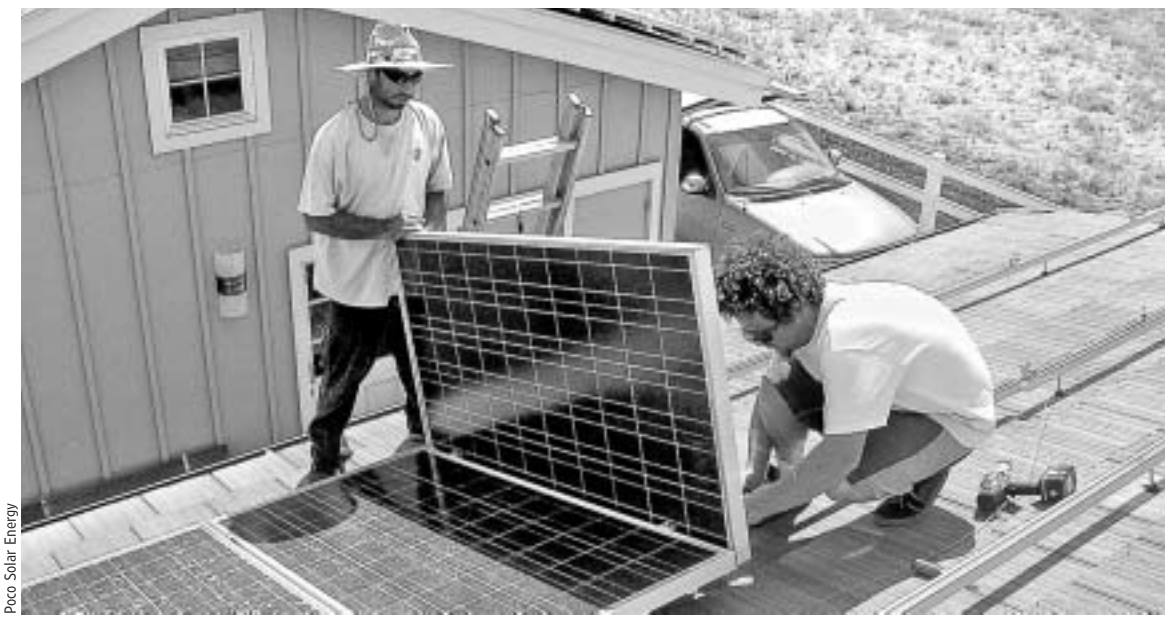
SunPower Corp., **Suntech Power Holdings** Co. and others are enlisting hundreds of locally-owned installers with partnerships that offer training, sales support and help with marketing and advertising.

With the dealer networks, the manufacturers hope to build brand awareness in what many see as a commodity product. But the moves come as solar-panel manufacturers battle weak demand due to the recession and an oversupply of panels.

Companies such as **First Solar** Inc. and SunPower have recently lowered their forecasts for the year, hurt by excess inventory and price competition.

Most panel makers sell directly into the utility market and use distributors to reach consumers. Now some are betting that by cutting out distributors and working directly with small local installers, they can increase the loyalty of installers to one brand while raising profits.

"It's going to be a significant part of the business," said Mark McKahan-Jones, head of Suntech's dealer sales division. The company, which is based in China and said Monday it plans to open a U.S. facility near Phoenix, has enrolled 200 U.S. installers so far.



Poco Solar Energy

Poco Solar workers install solar panels in Gilroy, Calif. The company says some customers ask for panels by brand.

Smaller rival SunPower, which is based in San Jose, Calif., has about 900 installers, including 200 in the U.S. In addition to sales and distribution support, SunPower offers its installers access to training programs and co-marketing funds.

By agreeing to work directly with a panel manufacturer, small installers say they pay less for panels than from larger distributors. They also have credit agreements, can get help arranging loans for customers and are offered technical support.

James Albert, founder of **ISI Solar**, a New City, N.Y., which installs panels from various makers, said brand recognition comes into play in about half of his jobs. "There is no question that branding and associating yourself with much larger entities is important," he said.

In California, by far the largest solar market in the U.S., SunPower had nearly 30% of the market in the third quarter under the state's subsidy program, according to FBR Capital Markets using data compiled from the program. In the program, which does not include utility installations, Evergreen Solar Inc., Kyocera Corp., SunTech and Sharp Corp. rounded out the top five.

Sharp's solar division also has a dealer partner program, but Ron Kenedi, head of the Americas for Sharp solar, said the company is focused on only the top installers with long track records in the industry. "We don't try to get as many dealers as possible," Mr. Kenedi said.The solar industry is still split on whether the brand of a manufacturer or a local installer should take precedence. "I don't want to usurp their effort with my brand," Suntech's Mr. McCahan-Jones said of local partners.

SunPower Chief Executive Tom Werner said regional advertising and marketing has allowed the company's high-efficiency, sleek panels to fetch premium prices.

Mr. Werner said his strategy in some ways mirrors that of Apple Inc., which has a loyal customer base willing to pay more for its well-designed products.

Although the market is nascent, some customers do ask for SunPower panels by name, said Jonathan Gonzalez, head of customer service and marketing for **Poco Solar Energy** Inc., an installer in Santa Clara, Calif. that is in SunPower's dealer network.

"If they don't know about solar at all, that is one of the brand names that will pop out," he said. Poco, which has about 30 employees, is considering adding a SunPower logo to its employees' shirts, he said.

Microsoft, Salesforce.com take networking-site cues

By Nick Wingfield And Ben Worthen

An unlikely software sector wants to get in on the social-networking act: business applications.

On Wednesday, **Microsoft** Corp. and **Salesforce.com** Inc. became two of the most high-profile companies yet to retool business-oriented offerings to emulate Facebook, Twitter and LinkedIn—Web services that help consumers track each other using posted photos, information feeds, status updates and other features.

Microsoft, of Redmond, Wash., said the next version of its Outlook e-mail program will automatically display personal information from social-networking sites for people in Outlook's address book.

Meanwhile, Salesforce.com, a San Francisco-based company known for software it offers as a Web service, announced a set of enhancements called Chatter that mimic some of the functions of sites like Twitter and Facebook.

Smaller start-ups like **Xobni** Corp. also have found significant audiences by forming connections between social sites and business applications. The moves are the latest sign of how consumer-oriented technologies—from instant messaging to **Apple** Inc.'s iPhone—are invading the workplace and forcing companies to adapt to advances that boost productivity.

For example, social-networking sites help users track the identities and activities of others, which can come in handy in a big company. A lot of businesses have started to ask, "Why is it easier to follow strangers on Facebook than employees in my own company?" said Marc Benioff, Salesforce.com's chief executive.

Salesforce.com says Chatter will allow employees to create profiles similar to the ones found on Facebook, albeit with an emphasis on connecting colleagues with relevant skills or projects. It is also designed to let users receive updates about data stored in the system, such as a customer-service incident or a revised spreadsheet or presentation. Mr. Benioff said Chatter, which should be available in early 2010, will be available for free to all Salesforce.com customers.

Microsoft says the next version of its e-mail software, Outlook 2010, will allow someone who receives an e-mail to quickly view a dossier of sorts on the sender by seeing a photo they have posted of themselves on social-networking sites and short messages about what they're doing on Twitter and Facebook. The information will appear in a window within Outlook 2010, which went into public testing this week and will be released in final form during the first half of next year.

"It gives you a really nice, holistic view of things that you have in common with people on e-mail," said Chris Capossela, a Microsoft senior vice president. "It gets you out of the e-mail-only silo and gives you a much more 360-degree view."

Ellen Levy, vice president of corporate development and strategy at LinkedIn, said blending information from its service with Outlook could help people form stronger professional bonds with people .

INTERNATIONAL PROPERTY INVESTMENT FORUM 2009

ORGANIZER CBRE CB RICHARD ELLIS 世邦魏理仕

MEDIA PARTNER THE WALL STREET JOURNAL. ASIA PRINT • ONLINE • MOBILE

HOTEL BRANDED PROPERTIES

21 November, 2009

Registration: 1:00-2:30pm Seminar: 2:30-5:00pm

Pacific Place Conference Centre

5/F, One Pacific Place, Admiralty, Hong Kong

Register Now

seminars@cbre.com.hk

or

+852 2820 2906

or

www.cbre.com.hk/hongkong/eng/ipif2009.aspx

MODERATORS

Ms. Rebecca Shum
Executive Director,
CBRE Investment &
Project Marketing

Mr. Robert Mcintosh
Executive Director,
CBRE Hotels,
Asia Pacific

Mr. Yu Kam Hung
Past President,
The Hong Kong Institute
of Surveyors

SPEAKERS

The Sukhothai's Unique Award Winning Formula Inspires Luxury Residential Development
Mr. Benjamin Cha
General Manager & Director of Development,
HKR International Ltd, Owner of the Sukhothai Hotel, Bangkok

The Ritz-Carlton Residences Bring New Levels of Luxury and Prestige to Singapore Real Estate
Ms. Ong Chih Ching
Founder & Group CEO
KOP Group, Developer of the Ritz-Carlton Residences Singapore

Living the Glamorous Baccarat Lifestyle in Shanghai
Mr. Jeff Yamaguchi
General Manager, China
Baccarat Hotels & Resorts

Hong Kong's Democratic Fizzle

Hong Kong is rightly viewed as Beijing's laboratory for democracy, so the territory's latest proposal to advance suffrage bears watching. Unfortunately, it's hard to look at Government House's latest plan as anything other than a bit of fizz in the test tube.

The Hong Kong government's "consultation paper," released Wednesday, was billed as paving the way for universal suffrage in 2017. Chief Executive Donald Tsang's administration proposes expanding the territory's 60-member legislature by 10 seats in 2012, five of those directly elected and five chosen by elected members of local district councils. Mr. Tsang also would increase the committee that elects the chief executive to 1,200 from 800, including creating 100 more seats for elected district councilors.

> The latest road map to suffrage isn't much of a step forward.

This is at best a so-so deal. Mr. Tsang, who is effectively appointed by Beijing, was constrained by a 2007 Beijing diktat from changing the even balance within the legislature between directly elected seats and those selected by "functional constituencies," which represent interest groups largely loyal to Beijing. By handing the proposed five new functional constituencies to elected district councilors, Mr. Tsang is at least making those seats indirectly democratic.

In other ways, though, Mr. Tsang, himself a Hong Konger, did little to advance his fellow citizens' interests—especially given that poll after poll shows that Hong Kongers overwhelmingly support universal suffrage. The government declined to make existing functional constituencies more democratic by broadening their voting bases. The legislator for financial services, for instance, is elected by 578 companies, and the banking representative by only 132. Expanding that and other functional electorates to the thousands of *people* licensed to work in those industries—as is already done for seats representing education, accounting and health services—would have been a sign Mr. Tsang was truly interested in expanding democracy.

Donald Tsang

Mr. Tsang also stepped backward on the process for "electing" the chief executive. A 1,200-member committee would be smaller than the 1,600-member body Mr. Tsang proposed the last time Hong Kongers had this debate, in 2005. In a city of seven million residents, 1,600 was too small; a backpedal to 1,200 is inexplicable. And it still would be stacked with electors with ties to Beijing.

Despite all these caveats, Hong Kong's democrats may decide to support the package for political reasons. They voted down an equally bad proposal in 2005; the danger is that they could look merely obstructionist doing so again. But whatever strategic calculations they make, the details of the final plan matter because Beijing and Hong Kong's government are sure to spin any eventual agreement as democratic progress. On present course it won't be that.

Beijing in December 2007 told Hong Kongers they "may" gain universal suffrage in the 2017 vote for chief executive, already a decade behind earlier promises. The current consultation process raises doubts about how seriously to take that pledge. Hong Kongers risk losing yet another opportunity to pick their leaders. Beijing risks missing a chance to show the world it can keep its word.

Beijing's Post-Obama Crackdown

President Obama soft-pedaled human rights in Beijing this week, presumably in an effort to cajole China into better behavior. The country's public-security apparatus has responded by proceeding with business as usual.

The wheels of Air Force One were barely off the runway when Beijing's security forces beat and seized human-rights lawyer Jiang Tianyong as he was taking his daughter to school yesterday morning. Two of his colleagues told us he was still being detained at a police station as we went to press.

This is only the latest installment for Mr. Jiang, who has been harassed since he agreed to represent a Tibetan "living Buddha" accused of inciting unrest during the March 2008 riots. Last year, the government suspended his legal license temporarily, and this year he has been effectively disbarred since June.

None of this dissuaded Mr. Jiang from talking about the true state of human rights in China. On Oct. 29, he addressed a Congressional human-rights commission during a trip to the U.S. He returned to China and was placed under house arrest, but he still tried to meet Mr. Obama Wednesday, according to a colleague. The police escorted him back to his house. The U.S. embassy press office in Beijing said it was not aware of any invitation for Mr. Jiang to meet with the President.

Mr. Jiang's case isn't an isolated incident. Over the past few months, the government has pressured human-rights lawyers to drop sensitive cases, denied them license renewals, or resorted to physical violence. Democracy activists and other groups threatening to one-party rule have also come under increased scrutiny.

The Obama Administration has gone out of its way to not criticize China's human-rights violations in public, although Mr. Obama reportedly spoke strongly in private to the Chinese leadership on the topic this week. That will be of little comfort to Mr. Jiang and the millions of Chinese who support what he stands for.

A Breast Cancer Preview

A government panel's decision to toss out long-time guidelines for breast cancer screening is causing an uproar, and well it should. This episode is an all-too-instructive preview of the coming political decisions about cost-control and medical treatment that are at the heart of ObamaCare.

As recently as 2002, the U.S. Preventative Services Task Force affirmed its recommendation that women 40 and older undergo annual mammograms to check for breast cancer. Since regular mammography became standard practice in the early 1990s, mortality from breast cancer—the second leading cause of cancer death among American women—has dropped by about 30%, after remaining constant for the prior half-century. But this week the 16-member task force ruled that patients under 50 or over 75 without special risk factors no longer need screening.

So what changed? Nothing substantial in the clinical evidence. But the panel—which includes no oncologists and radiologists, who best know the medical literature—did decide to re-analyze the data with health-care *spending* as a core concern.

The task force concedes that the benefits of early detection are the same for all women. But according to its review, because there are fewer cases of breast cancer in younger women, it takes 1,904 screenings of women in their 40s to save one life and only 1,339 screenings to do the same among women in their 50s. It therefore concludes that the tests for the first group aren't valuable, while also noting that screening younger women results in more false positives that lead to unnecessary (but only in retrospect) follow-up tests or biopsies.

> The mammogram decision is a sign of cost control to come.

Of course, this calculation doesn't consider that at least 40% of the patient years of life saved by screening are among women under 50. That's a lot of women, even by the terms of the panel's own statistical abstractions. To put it another way, 665 additional mammograms are more expensive in the aggregate. But at the individual level they are immeasurably valuable, especially if you happen to be the woman whose life is saved.

The recommendation to cut off all screening in women over 75 is equally as myopic. The committee notes that the benefits of screening "occur only several years after the actual screening test, whereas the percentage of women who survive long enough to benefit decreases with age." It adds that "women of this age are at much greater risk for dying of other conditions that would not be affected by breast cancer screening." In other words, grandma is probably going to die anyway, so why waste the money to reduce the chances that she dies of a leading cause of death among elderly women?

The effects of this new breast cancer cost-consciousness are likely to be large. Medicare generally adopts the panel's recommendations when it makes coverage decisions for seniors, and its judgments also play a large role in the private insurance markets. Yes, people could pay for mammography out of pocket. This is fine with us, but it is also emphatically not the world of first-dollar insurance coverage we live in, in which reimbursement decisions deeply influence the practice of medicine.

More important for the future, every Democratic version of ObamaCare makes this task force an arbiter of the benefits that private insurers will be required to cover as they are converted into government contractors. What are now merely recommendations will become de facto rules, and under national health care these kinds of cost analyses will inevitably become more common as government decides where finite tax dollars are allowed to go.

In a rational system, the responsibility for health care ought to reside with patients and their doctors. James Thrall, a Harvard medical professor and chairman of the American College of Radiology, tells us that the breast cancer decision shows the dangers of medicine being reduced to "accounting exercises subject to interpretations and underlying assumptions," and based on costs and large group averages, not individuals.

"I fear that we are entering an era of deliberate decisions where we choose to trade people's lives for money," Dr. Thrall continued. He's not overstating the case, as the 12% of women who will develop breast cancer during their lifetimes may now better appreciate.

More spending on "prevention" has long been the cry of health reformers, and President Obama has been especially forceful. In his health speech to Congress in September, the President made a point of emphasizing "routine checkups and preventative care, like mammograms and colonoscopies—because there's no reason we shouldn't be catching diseases like breast cancer and colon cancer before they get worse."

It turns out that there is, in fact, a reason: Screening for breast cancer will cost the government too much money, even if it saves lives.

OPINION

The Rising Yen Is Sinking Japan

By Jesper Koll

The U.S. dollar's decline has created upward pressure on many major Asian currencies, not least the yen, which is up 20% versus the dollar since the September 2008 Lehman shock. The new Democratic Party of Japan-led government argues this trend is a boon, but in fact it's just the opposite: The rising yen is a significant contributing factor to the sinking of the world's second-largest economy.

Japan is once again in a deflationary spiral, as the Bank of Japan is expected to announce today. Markets for goods, services, labor and capital are registering across-the-board, accelerated price declines. Consumer prices fell 2.3% in September compared to the previous year—the seventh straight month of decline. Producer prices show a similar trend. Land prices are falling at a double-digit rate. Wages are also falling, while unemployment is rising. Little wonder Japan`s broad-based TOPIX stock market index is now the only major developed-country stock market that is in negative territory this year.

In response, Prime Minister Yukio Hatoyama's government has argued that a strong yen could be good for Japan because it should help reallocate resources away from exporters to domestic services. What's more, Mr. Hatoyama's team floated the idea in October that a strong yen could help stimulate domestic demand—long a weak spot of Japan's export-dependent economy. (U.S. Treasury Secretary Timothy Geithner, by the way, concurs; in Tokyo last week, he said Japan showed "early signs of a stronger domestic demand-led economy.")

The idea that a strong currency has benefits has merit, but only in a growing economy. When an economy is expanding, a strengthening currency encourages manufacturers to invest in more productive machinery, focus on raising productivity, and remain on the competitive edge of their industry. It is an elegant economic tool that keep corporate leaders from getting complacent, and forces them to innovate. This is what happened in the 1960s and 1970s, when Japan was exporting its way to prosperity.

However, this cycle is virtuous only when companies make money, when cash flow is healthy, and when banks are willing lenders. Japan today doesn't enjoy such a benevolent economic clime. Prices are falling and profits are plunging. Yen strength in this environment is suffocating big exporters like Nissan, which has frozen hiring in Japan until further notice, and Sony, which has slashed thousands of jobs to cope. And remember, the current cyclical deterioration comes on top of a decade-long spell of almost no economic growth. Industrial companies are investing outside Japan to find growth markets, as are service companies like retailers, outsourcers and Internet firms.

When a country is in deflation, like Japan is today, a strong currency must be countered by more stimulative fiscal, monetary or regulatory policies—or some combination of all three. The DPJ government is advocating just the opposite tack. Since taking office in October, Mr. Hatoyama's team has floated tighter financial-sector regulations, tighter fiscal policy in the form of smaller budgets, and an early exit from the Bank of Japan's super-loose monetary policy, known as quantitative easing. The budget cuts in the 2010 budget are poised to drag down GDP by almost 2% as Mr. Hatoyama's firstbudget follows on from his predecessor's massive emergency spending enacted last summer. As if this is not deflationary enough, add yen strength to the equation, and Japan's recession may soon turn into a full-fledged depression.

Japan doesn't need a stronger yen. Japan needs deregulation of its labor and capital market, privatization of state-owned industries, and a more pragmatic, progrowth domestic industrial policy focused on excising vested interests and the rigidities of domestic service industries. The promotion of growth and entrepreneurship is the only way to generate the kind of employment that the DPJ promised on the campaign trail. Unfortunately, this kind of policy path is particularly difficult for Mr. Hatoyama's government, which is heavily reliant on labor unions for political support.

That may be the one virtue of the rising yen and the destruction it wreaks: It is exposing the ineptitude of the Hatoyama administration's economic policies. The question is, how high a price will Japan pay in the meantime?

Mr. Koll is president of Tantallon Research Japan. This article is part of an occasional series on the dollar's impact on Asia-Pacific economies.

How Iran's Revolution Was Hijacked

By Mark Bowden

It has been three decades since Iranian college students overran and occupied the American Embassy in Tehran, and we are still dealing with that country's revolution.

Americans at the time were understandably preoccupied with the fate of 66 countrymen who were held captive, accused of being spies, and threatened with prosecution and punishment. We still refer to this outrage as the Iran Hostage Crisis. Yet this way of remembering the episode ignores its larger significance in Iran, and impedes our understanding of the political drama unfolding there today.

The movement to oust the Shah was primarily a nationalist one, albeit colored by the religious rhetoric of the Ayatollah Ruhollah Khomeini. Many of those who took to the streets in 1978 and 1979 were motivated not by a desire to establish a theocracy but by the same thing that stirs the reform movement there today—a desire to cast off authoritarianism and establish democracy. The seizure of the U.S. Embassy was the pivotal event in the takeover of the revolution by the mullahs of Qom.

The seizure of the embassy and the kidnapping of the American mission was was a crime against international diplomacy. The pretense for the embassy takeover was false. The presence of a working U.S. Embassy in Tehran in November 1979 was not evidence that the U.S. was plotting to overthrow the revolution, as the hostage-takers claimed. It was evidence of America's acceptance of the revolution, and of its willingness to work with Iran's new leaders, whoever they turned out to be.

I say "whoever," because nine months after Shah Mohammad Reza Pahlavi fled it was still unclear what kind of government Iran was going to have. Religion did play a big part in the Iranian revolution and Khomeini was its galvanizing figure. But the ayatollah was ambivalent about the idea of clerical rule.

When he returned to Iran from exile in Paris, he set up a secular provisional government in Tehran that was headed by Mehdi Barzagan, a liberal and a democrat. A constitutional convention was convened to sort out what permanent shape Iran's new government would take, and among those participating in that fundamental exercise were communists, socialists, democrats and plenty of other nationalists who did not pray five times a day for religious rule.

Young revolutionary Islamists, alarmed by this secular drift and recognizing that they were in a minority, banded together. Representatives from the five main universities in Tehran formed an organization they called "Strength in Unity." One of these men was Mahmoud Ahmadinejad.

When they learned that Barzagan's government had quietly been holding talks with the U.S.—the country had complex military and economic ties with America that needed sorting out—the students claimed these secular leaders were conspiring with the Great Satan to restore the shah. This myth picked up steam when President Jimmy Carter allowed the deposed shah to enter the U.S. for cancer treatment.

Getty Images

An American hostage being paraded before the cameras by his Iranian captors.

The story was swallowed whole by many Iranians, who had valid reasons to fear U.S. meddling. The embassy seizure was designed to protest this supposed plot. The students planned a sit-in. The stunt would give them a platform to condemn the Barzagan government and warn their countrymen of its traitorous plan. Khomeni's first instinct was to order that the students be chased off the embassy grounds, just as the provisional government had evicted another group of invaders months earlier. But when the ayatollah saw on television enormous crowds cheering the student occupiers—and as more clever and ambitious clerics around him saw the political potential of this stunt—Khomeini reversed himself. His endorsement of the outrage cut the legs out from under Barzagan. Within hours he resigned and his government collapsed.

The students now owned not just a platform in Tehran but the spotlight on a world stage.

In the months that followed, to prove their allegations, they questioned each and every hostage and pored over every scrap of paper on the grounds, even piecing together the documents embassy workers had managed to shred before they were taken. None of it supported the myth. There was no evidence of a plot because there was no plot. If anything, the files revealed how paltry America's intelligence gathering really was. The U.S. had failed even to see the revolution coming.

Guided now by savvy mullahs, the students smeared political opponents the way Sen. Joe McCarthy once did, waving stolen documents before the cameras as "proof" of collaboration with the U.S. They drove many secular leaders out of politics, into jail, or out of the country. Abol-Hassan Bani-Sadr, the first elected president of Iran after the revolution, still lives in exile in Paris. His foreign minister, Sadegh Ghotbzadeh, who met in secret with Mr. Carter's emissaries in an effort to resolve the hostage crisis, was imprisoned and shot by firing squad. By the summer of 1980, with the hostages lingering under guard in informal prisons scattered around the country, the clerics had clinched their hold on the country.

For the strict fundamentalists among those student leaders, this was victory. For men such as Mahmoud Ahmadinejad, this meant power. For others in that group such as Ibrahim Azgarzedeh, Mohsen Mirdamadi and Abbas Abdi, it meant watching their hopeful revolution devolve into yet another form of tyranny.

Messrs. Azgarzedeh, Mirdamadi, and Abdi were religious young men who bought into the romantic rhetoric of Islamist militancy in the same way many young antiwar Americans in the 1960s and early '70s bought into the gaseous pop-rhetoric of "revolution." For many in America, this amounted to little more than generational solidarity and a fondness for recreational drugs. In Iran it amounted to a real revolution with real blood and a real responsibility to forge a new state. Even some of the devout Islamists caught up in those heady times were no more wedded to theocracy than devout Christians, Jews, and Muslims in America secretly wish for religious rule here.

Mr. Mirdamadi is in prison right now. Messrs. Azgarzedeh and Abdi have both spent time locked up. They and others, including even the annoying spokesman for the hostage-takers, Massoumeh Ebtekar, are now identified with the reform movement. Their outspoken rejection of Ahmadinejad's tainted re-election last summer illustrates how broad and deep runs opposition to the current regime.

So 30 years after seizing power, the mullahs find themselves in a difficult spot. To turn back the domestic tide of reform they must employ the very tools employed by the despised shah—mass arrests and trials, torture, execution and censorship. Older Iranians recognize this approach as the very thing they rebelled against in 1979. Younger Iranians have the same energy and spirit as their elders, only this time around, the revolutionary rhetoric of change is no longer anti-American and Islamist.

Iranians want real democracy.

Mr. Bowden, a national correspondent for the Atlantic Monthly, is the author of "Guests of the Ayatollah" and, more recently, "The Best Game Ever," both published by Atlantic Monthly Press.

THE WALL STREET JOURNAL.
ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*
Published since 1889 by
DOW JONES AND COMPANY
© 2009 Dow Jones & Company. All Rights Reserved
DOWJONES
A News Corporation Company

IN DEPTH

Citadel comes under siege from hedge fund's bad 2008

Kenneth Griffin is looking for next big opportunity even though the hangover from the last one is fresh in clients' minds

By Jenny Strasburg And Scott Patterson
Chicago

HEDGE-FUND titan Kenneth Griffin lost $8 billion of his clients' money last year. Now, he is trying to persuade investors to trust him with more.

"We showed a level of human fallibility," he told his staff at a late-September lunch in Manhattan.

The price of fallibility: a 55% loss in the big hedge funds at his firm, Citadel Investment Group. His funds' declines far outstripped the 19%, on average, that hedge funds lost as a whole, according to Hedge Fund Research Inc. For the past year, Citadel prevented investors from withdrawing money they wanted to take out from his two main funds, Kensington and Wellington.

Mr. Griffin is looking for the next big opportunity even though the hangover from the last one is fresh in clients' minds. He is launching four new funds and expanding in investment banking—hoping to fill the profitable hole left by the collapse of Lehman Brothers.

Before his disastrous 2008, Mr. Griffin charted years of strong performance. Still, many investors are dubious about his recovery plans.

In a September interview in his Chicago office, Mr. Griffin expressed exasperation at investors' desire to keep dissecting last year's disaster, comparing their fascination with people's inability to look away from a car crash. "I've told the story of 2008 many times," he said.

Citadel's biggest mistake last year, Mr. Griffin said, was putting too much faith in regulators' ability to deal with the global meltdown.

Mr. Griffin's predicament reflects broader troubles at hedge funds worldwide. For much of the decade, hedge funds ranked among the hottest investments. But these largely secretive, complex investments, heavily reliant on borrowed money, were hammered in 2008 by the crisis in the world financial system.

So far this year, most hedge funds are showing profits again. In particular, Citadel has come storming back. Its main fund is up 58% this year.

But a parade of frauds, the insider-trading allegations swirling around Galleon Management and the weak economy have kept big clients (pension funds, endowments, the super-rich) from plowing in more money. Hedge funds crave new investments to make up for losses and withdrawals they have suffered.

> That Citadel survived at all is a testament to the money-making machine Mr. Griffin built over the decades.

Nevertheless, dethroned hedge-fund magnates such as Mr. Griffin still carry clout by simple virtue of the fact that they managed to survive when others disappeared. If successful, and there is no guarantee of that, their ideas will help shape the next version of Wall Street.

Like Mr. Griffin, other money managers have tried to walk a fine line between acknowledging last year's blunders and assuring that they won't be repeated. But Mr. Griffin's comeback strategy is trickier than those of his peers, because his grand ambitions beyond hedge funds may have little relevance for his longtime clients, according to some investors and Wall Street executives familiar with the firm.

"Nothing is more important to me as we approach (Citadel's) 20th anniversary than striving to earn back the losses of '08 and move forward," Mr. Griffin said in an interview this week. He is spending "the vast majority" of his time, he said, focused on Citadel's biggest hedge funds.

That Citadel survived at all is a testament to the money-making machine Mr. Griffin built over the decades. More than 2,000 hedge funds, or more than 20% of the total, shut down since early last year, according to Hedge Fund Research.

Until last year, Mr. Griffin had to turn investors away. Those who made the cut paid him some of the highest fees in the hedge-fund industry, amounting to 20% of profits on top of fund expenses that commonly have ranged from 4% to 8% of an investor's fund assets, according to fund documents.

Now, Citadel is cold-calling investors, with Mr. Griffin and other executives involved in trying to drum up money. He is able to trot out some encouraging numbers. In the first nine months of this year, Citadel made $5 billion in trading profits as markets recovered.

Many investors, though, are less interested in Citadel's rebound. They want to talk about what went wrong last year.

In September, Mr. Griffin flew to Europe on his private jet to pitch his new funds. It was the first time in years that Mr. Griffin personally had spent so much time asking investors for cash.

He met with Pictet & Cie, a Geneva bank with more than $300 billion in assets to invest. Pictet executives questioned him about how 2008 turned so ugly for Citadel, according to a person familiar with the matter. In the end, Pictet decided not to invest.

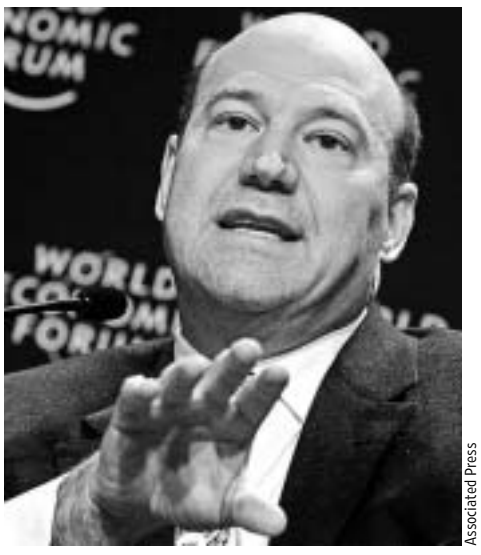
Mr. Griffin, 41 years old, has rarely suffered professional failure. He developed his investment strategies in his Harvard dorm room. After graduating in three years, he launched his first hedge fund in 1990. Before 2008, Citadel lost money just once in a calendar year, back in 1994.

As his wealth grew, he became a collector of art and Ferraris. He occasionally dispatches his driver on a 320-kilometer round trip to fetch milkshakes from LeDuc's Frozen Cus-

Bloomberg News

Kenneth Griffin, 41-year-old chief of Citadel Investment Group, is trying to keep old investors and woo new ones after the firm had big losses last year.

IN DEPTH



Associated Press

Bloomberg News (2)

Mr. Griffin spoke frequently by phone with Goldman President Gary Cohn, left, and CEO Lloyd Blankfein, regarding the markets and Citadel's financial straits, people familiar with the matter say.

Misha Malyshev, above, who helped build Citadel's highly profitable business of computer-driven trading.

tard in Wales, Wis., near where Mr. Griffin grew up. The folks at LeDuc's refer to the financier as "the man of a thousand shakes," based on a birthday order in 2004 that was so big, it got shipped to Chicago in a truck.

But Mr. Griffin's driver "hasn't been around in maybe six months or a year," says Jim Shackton, owner of LeDuc's, whose staff in past years came to recognize him when he would pull up to the little pitched-roof custard shop in a silver Mercedes sedan. ("Nice car," Mr. Shackton says.)

In 2006 Mr. Griffin purchased "False Start" by Jasper Johns for $80 million, among the highest pricesever paid for a work by a living painter. And in 2005 he bought a 5,500-square-foot home in suburban Chicago for his grandmother, an early investor.

The high point for Citadel came just before the credit crisis hit. The firm's assets peaked near $20 billion at the end of 2007 on the back of a 30% annual return. The firm had just completed one of its biggest investments, in online brokerage company E*Trade Financial Corp.

But in July 2008, Citadel endured the first of six straight money-losing months. Following his old script, Mr. Griffin raced to buy beaten-down assets such as convertible bonds, long his specialty, only to see them take a further beating.

Citadel's losses piled up. In October, the firm had its worst month ever, losing 22% in its biggest fund. Other firms were going out of business left and right.

The speed and depth of the global crisis, ironically, may have helped Citadel pull through.

So many other firms were folding that some lenders—worried about ripple effects if a giant like Citadel were forced to sell big chunks of assets into the dysfunctional markets—were reluctant to make moves that might have imperiled the firm, according to people involved in those discussions. In particular, regulators pressed Wall Street firms including Deutsche Bank AG not to make drastic changes in their dealings with Citadel, according to these people.

Still, the banks demanded that Citadel post more cash to cushion against losses. Citadel rushed to meet these demands while minimizing its own losses.

Mr. Griffin spoke frequently by phone with top executives at Goldman Sachs Group Inc., including President Gary Cohn and Chief Executive Lloyd Blankfein, regarding the markets and Citadel's financial straits, people familiar with the matter say.

"We have a strong relationship with Citadel and we felt very comfortable with our risk at the time," Mr. Cohn said recently.

Talk of Citadel's problems spread widely at that time. In a conference call last November, Mark Yusko of Morgan Creek Capital Management told clients: "There's a rumor a day about how Citadel's going to go out of business."

Citadel didn't close. But by December it was severely hobbled.

Allowing investor withdrawals would endanger the firm and all its investors, Mr. Griffin and his top executives decided. So they sent a letter Dec. 12 telling clients they would be barred from withdrawing the more than $1 billion they had requested. "We hope to resume redemptions as early as March 31, 2009," that December letter said.

Restrictions on withdrawals stayed in place. In October, Citadel said that at the end of December it will let investors pull out the remainder of the more than $1 billion they have been seeking. That amount represents roughly 10% of total assets in its hedge funds.

Mr. Griffin says he has dialed back on risk-taking. Citadel has cut its wagers on corporate bonds and other holdings that hurt him badly last year, he says, and has been putting more cash into plain-vanilla stocks. In a letter to investors late last month, he told them not to expect huge bets like the E*Trade investment, which saddled the funds with a "significant concentration of risk."

If there were a repeat of 2008's market turmoil, Mr. Griffin says, his funds would lose less than 20% rather than 55%. Citadel's biggest hedge fund has rebounded 58% this year through mid-November. And recently, Mr. Griffin has resumed talking about an initial public offering for Citadel as early as next year.

Most of all, Citadel wants to leave 2008 in the past.

"But I don't think anybody else has," Jon Gans, president of Ironwood Capital Management, told other Citadel investors this past summer in the firm's downtown San Francisco offices, according to people familiar with the matter. Ironwood and other longtime Citadel investors say they intend to reduce investments with the firm, the people say.

Another longtime Citadel investor that has been critical of Mr. Griffin this year is Robeco Investment Management in New York, which has several million dollars invested with the firm. One person affiliated with Robeco says Citadel should earn back investors' losses and return cash before trying to sell them new funds.

A spokeswoman for Robeco declined to comment.

Some clients are returning. Mr. Yusko of Morgan Creek Capital Management says he has invested more in Citadel this year and could add additional money. "I don't think they're geniuses this year, and I don't think they were idiots last year," he said.

Nevertheless, some investors question whether Citadel can still post big returns to match the outsized fees it charges. Despite the rebound this year in Citadel's hedge-fund performance, they still must earn back far more to recover last year's losses. Mr. Griffin acknowledges that process could take another year or even two. Until then, Citadel isn't eligible for lucrative 20% fees on the funds' profits.

This is one reason why the new hedge funds are so important: They have no ground to make up, so they can earn fees immediately. In the first quarter, Citadel told investors it was hoping to raise more than $2 billion over several years for a new fund designed to invest in currencies, interest rates and broad economic trends. However, by October, outside investors had put less than $100 million into the fund, people familiar with it say.

The fundraising has fallen short of early goals, according to people familiar with the matter. All told, Citadel says it has gotten $500 million in commitments for all of its new hedge funds.

> If there were a repeat of 2008, Mr. Griffin's funds would lose less than 20% rather than 55%.

At the same time, Citadel has lost two top people—including the executive brought in barely a year ago to expand Citadel's investment banking. Rohit D'Souza, the former head of global equities at Merrill Lynch, was to oversee a broad expansion of Citadel's securities sales and trading business. He also brought in a team of deal-makers to build the investment bank.

Mr. D'Souza, who resigned in October, didn't respond to requests for comment. Citadel played down the departure, saying other executives are in place to run the operations, which are growing.

In February, Misha Malyshev, who helped build Citadel's highly profitable business of rapid-fire, computer-driven trading, left the firm. He took several employees with him, triggering a nasty legal battle. Mr. Malyshev didn't respond to a request for comment.

Citadel sued Mr. Malyshev alleging he violated an agreement not to compete against the firm. His departure was a big loss: His trading division was a rare bright spot last year for Citadel, earning $1 billion in profits even as traders melted down world-wide.

In a sign of the importance of the case to Mr. Griffin, he showed up at the Cook County Circuit Court in Chicago to watch the proceedings. The judge ruled last month that Mr. Malyshev would temporarily have to refrain from competitive activities.

Reflecting on 2008, Mr. Griffin wrote to clients at the end of October, "Unquestioningly, some of our core strengths became liabilities last fall, including perhaps a degree of over-confidence in our ability to weather almost any market catastrophe."

Keeping score

Performance of Citadel's largest fund vs. an index of similar funds

Sources: Citadel; Hedge Fund Research Inc.

Bloomberg News

FROM PAGE ONE

Sony wagers online push will help revive sales

Continued from first page
troducing new mobile products that link to the service.

The new platform-temporarily called Sony Online Service-is critical to the company's online efforts. The marriage of content and hardware has been the company's longstanding vision, dating back to when Sony bought CBS Music in 1987 and Columbia Pictures in 1989. However, in the past, it has rarely produced the kind of synergy that the company had hoped due to infighting and a lack of shared goals.

Mr. Stringer said the company is more united now and that teamwork between the content and hardware businesses helped Sony's Blu-ray video standard defeat the rival HD-DVD standard. He believes that it will again work in the company's favor, aided by the distribution power of the Internet.

"Our hardware, piece by piece, is being systematically differentiated and enhanced," said Mr. Stringer.

The service is part of its effort to reach an operating profit margin of 5% in the fiscal year ending in March 2013. The company had previously aimed for that goal by March 2008, falling just short, only to report a 227.8 billion yen loss ($2.55 billion at current rates) in its past fiscal year. It has forecast an operating loss of 60 billion yen for the current fiscal year, but Mr. Stringer said it is striving to break-even.

"This is not a one-time or short-term initiative," Mr. Stringer said. "Most importantly, we must deliver sustainable financial results."

Reuters

Sony's executive deputy president, Hiroshi Yoshioka, CEO Howard Stringer and the president of the Consumer Products & Device Group, Kazuo Hirai on Thursday.

The company will face challenges meeting that goal. Credit rating firm Fitch Ratings said Thursday a rebound in demand and an improvement in profit margins within the next two years is "highly uncertain" and downgraded Sony's long-term and short-term debt rating. It also kept Sony's outlook at "negative."

Sony's efforts have yet "to translate into a material improvement in its core competitiveness and profitability," said Kevin Chang, a Fitch director.

To address the former issue, Sony has cut 80% of the 330 billion in annual costs it had targeted and has cut 19,500 jobs, representing about 12% of its work force at its electronics and games divisions.

The company also laid out bold targets for its fledgling 3-D push. Sony expects revenue of one trillion yen from the sales of 3-D televisions, videogames and Blu-ray players by the fiscal year ending in March 2013, not including sales of new games and discs. It also it may target another hot area and develop a lithium-ion battery for use in electric cars.

Analysts are closely watching Sony's TV and videogames businesses. Sony's TV division is relying more on contract manufacturers to lower costs and pull the company out from six straight years in the red.

'Phantom share' program haunts bidding for CICC

Continued from first page
CICC's staff, particularly its senior management, are well paid in a country where many executives at state-owned firms earn civil-servant salaries. CICC paid its employees $434.9 million in 2007 including salaries, bonuses, housing allowances and other expenses. That compares with $869.2 million in total revenue. Total compensation declined to $282.5 million in 2008 as revenues decreased to $587.9 million.

CICC's compensation, including the phantom-share program, is sensitive because it raises the issue of whether the bank's management, led by Chief Executive Levin Zhu, is benefiting too much from its stewardship of a state asset. Employees of investment banks around the globe typically receive a portion of their payout in the form of shares.

What is different in CICC's case is that the Chinese government owns a majority stake in the firm and Chinese state firms pay much of its income. CICC's chief executive is the son of former Chinese premier Zhu Rongji, a key figure in the reform of China's state-owned firms. CICC is majority-owned by two Chinese state-owned companies, including a unit of **China Investment Corp.**, the nation's sovereign-wealth fund, which holds 43.35% of the company's ordinary shares. Sovereign-wealth fund **Government of Singapore Investment Corp.** and Hong Kong's Mingly Corp. each own a 7.35% stake.

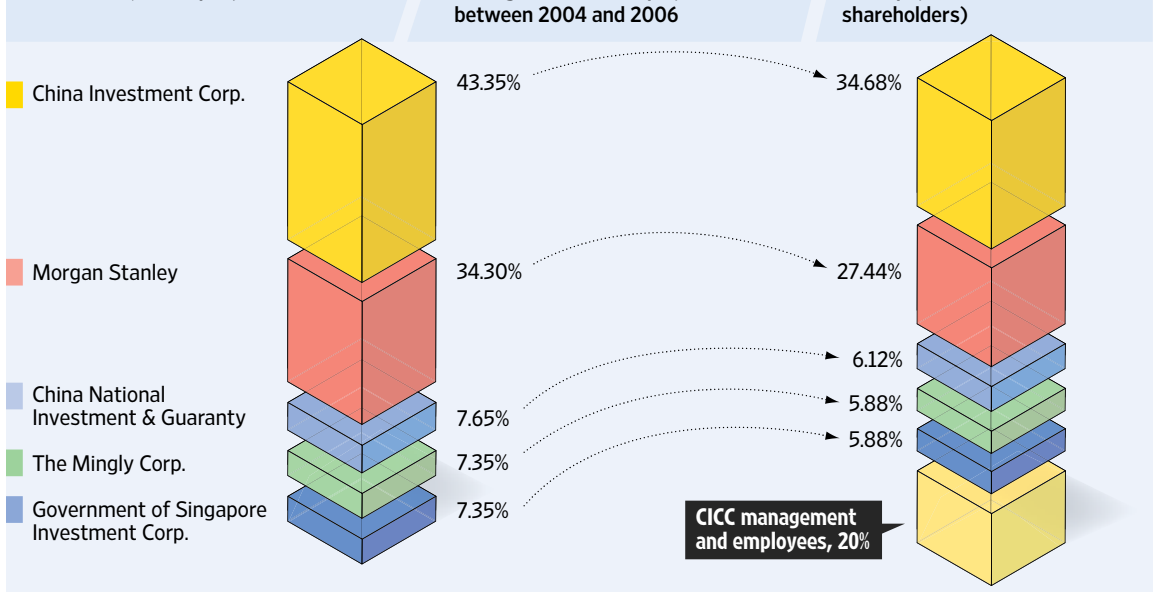
The phantom-share program was supposed to end with the IPO. When the IPO didn't materialize by the end of 2006, the program was extended "in order to help retain talent and better align incentives," according to the Morgan Stanley sale document. Employees that leave the firm sell their phantom shares back to the company at book value and those shares are granted to other employees. The overall amount of phantom shares remains constant.

But CICC's management wasn't happy with that. When Morgan Stanley attempted to sell its CICC stake in late 2007 and early 2008, CICC managers told bidders that they wanted new phantom shares to be granted to employees, according to people familiar with the situation, giving them a bigger economic interest in the firm.

Another person familiar with the situation said CICC Chairman Li Jiange, appointed in July 2008, has worked hard to resolve the tension and tried to offer increased compensation to management. It is unclear what CICC's management's current position is on more phantom shares and how CICC's board has adjusted compensation policies.

There have also been concerns over whether the China Securities Regulatory Commission would approve a conversion of the phantom shares into ordinary shares, according to the person familiar with the situation. The regulator's view on the plan is unclear.

Shareholder rights | CICC share structure a thorny issue in Morgan Stanley stake sale


CICC's ownership by voting rights (Includes board representation and votes on major company decisions)
Ownership structure changes when phantom shares are granted to CICC management and employees between 2004 and 2006
CICC's ownership by economic rights (Includes dividends and other payments that accrue to shareholders)
China Investment Corp.
Morgan Stanley
China National Investment & Guaranty
The Mingly Corp.
Government of Singapore Investment Corp.
43.35%
34.30%
7.65%
7.35%
7.35%
34.68%
27.44%
6.12%
5.88%
5.88%
CICC management and employees, 20%

CICC's business has grown because of the investment bank's traditional dominance in providing advice to Chinese state-owned firms seeking overseas listings and looking to make cross-border acquisitions. CICC has employed a minimal leverage business model and focused on fee income driven by its investment banking. Investment banking provides 36% of CICC's revenue compared with just 11% for rival Citic Securities Co.

Beyond the details of the employee share scheme, the 87-page memorandum is mostly a sale pitch for the potential growth of CICC's business in the context of China's expanding financial markets. It reveals that CICC generated $96 million in after-tax profit in the first eight months of this year on $439 million in revenue. That compares with an $87 million after-tax profit last year on $588 million in revenue.

China's housing-bubble trouble proves elusive, if it's even there
HEARD ON THE STREET 28

New link seen in Galleon insider-trading case
MARKETS 21

BUSINESS & FINANCE.

Friday - Sunday, November 20 - 22, 2009 THE WALL STREET JOURNAL. asia.WSJ.com

CCTV advertising revenue is set to rise

Companies pledge to spend $1.6 billion to run commercials on the Chinese national network next year

BY SKY CANAVES

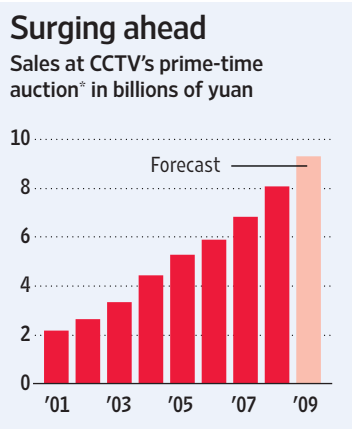
BEIJING—Advertising revenue on China's national broadcaster is poised to continue to rise in 2010, as domestic and international companies pledged to spend $1.6 billion to run commercials on **China Central Television** next year.

The commitment was made during CCTV's annual version of the U.S. networks' "upfront" ad sales Wednesday, which saw about 250 advertisers participating in the auction, most representing local Chinese brands.

Xia Hongbo, director of CCTV's advertising department, said about 50 multinational firms were present this year. Among them was **PepsiCo** Inc., which joined the auction for the first time, but declined to say how much it spent. Rival **Coca-Cola** Co. participated in the auction for the first time last year.

Agence France-Presse/Getty Images

Migrant workers watch television in China. Multinationals were among bidders Wednesday for CCTV commercials.



"Despite the significant growth in media channels across China, CCTV remains a formidable force and provides impressive national reach," said Andres Kiger, head of marketing for Coca-Cola China.

The CCTV ad spending figures are often described as a barometer for the broader advertising market, and even as a proxy for the Chinese economy.

"The result of today's auction fully reflected our entrepreneurs' confidence in the Chinese market and in the Chinese economy for next year," said Mr. Xia.

But the state broadcaster's special status may overstate its impact somewhat and may also distort the market for ad buying.

"In many ways, CCTV isn't a good indicator of confidence in Chinese consumers because it is the only national network," said Shaun Rein, managing director of Shanghai-based consultancy China Market Research Group, adding that the return on investment for CCTV ad slots is difficult to measure. Still, Chinese companies tend to see advertising on CCTV as a source of pride, said Mr. Rein. "It's like a Super Bowl ad" in the U.S.

Please turn to page 17

Taiwan turns down bid for AIG's Nan Shan unit

BY JESSIE HO AND ARIES POON

TAIPEI—Taiwan's government has rejected an application by a consortium led by **China Strategic Holdings** Ltd. to buy **American International Group** Inc.'s Taiwanese unit, citing missing documentation, although the Hong Kong-based company said Thursday it plans to resubmit its application to the island's regulators.

China Strategic Holdings and **Primus Financial Holdings** Ltd. agreed in October to pay US$2.15 billion for **Nan Shan Life Insurance** Co. and filed an application with Taiwan's regulators through **Primus Nan Shan Holding**, a company set up by Primus and China Strategic. The deal would be AIG's biggest sale since it started raising funds to repay tens of billions of dollars in U.S. bailout money.

But the application was rejected last week because some documentation was missing, Emile Chang, deputy executive secretary of Taiwan's Investment Commission, said Thursday.

China Strategic Chief Executive Raymond Or said the company plans to resubmit its application shortly, adding that he expects final approval in about three months.

The deal had faced criticism from some Taiwan lawmakers, who expressed concern that the winning bidders involved Chinese interests. Taiwan's laws prohibit Chinese companies and individuals from holding controlling stakes in Taiwanese companies in most industries, including insurance.

Mr. Or, who was formerly vice chairman of Hang Seng Bank Ltd., stressed that the consortium wasn't linked to China. "China Strategic's shareholders aren't holders of mainland Chinese passports," Mr. Or said.

Mr. Or said he and China Strategic Chairman Frederick Ma will meet with Taiwanese regulators next week about the Nan Shan deal.

On Tuesday, in an apparent move to facilitate regulatory approval, China Strategic said it plans to sell a 30% stake in Nan Shan to local financial conglomerate **Chinatrust Financial Holding** Co. in exchange for a 9.95% stake in the Taiwan financial conglomerate.

A spokesperson for AIG said the company understands that the authorities asked for more information before they would formally accept the completed application.

"We also understand that this is a routine request, and look forward to continuing to work with the regulators toward a successful close of the transaction," the spokesperson said.

China Strategic said Thursday the deal remains subject to negotiations, adding that the company intends to take control of Nan Shan "either directly or indirectly." It didn't elaborate.

After collecting all the papers, the commission will submit the application to the legislature for approval. Lawmakers will need to check whether there is Chinese investment in China Strategic, Mr. Chang said.

—Jeffrey Ng contributed to this article.

db x-trackers
Simply buy the market

db x-trackers ETFs –
abundant liquidity committed by Deutsche Bank

Here's to flexible trading, to provide liquidity when it matters.

Deutsche Bank as the market maker is fuelling our db x-trackers ETF with abundant liquidity allowing investors to trade our ETFs throughout the market hours.

Tight spreads combined with large trading size – that's what made db x-trackers Europe's fastest growing ETF provider[1].

Your advantages with db x-trackers ETFs:
- Abundant liquidity
- Low tracking error
- Low cost index investment
- Long and short exposure to equity markets
- Access to money market

db x-trackers – Deutsche Bank Exchange Traded Funds

For further information:
E-mail: info.dbx-trackers@db.com
Website: www.dbxtrackers.com
Bloomberg: DBETF<GO>
Reuters: DBETF

A Passion to Perform.

Deutsche Bank

[1] Source: BGI ETF Landscape Industry Review from Barclays Global Investors, January 2009 – Year End 2008 Review.

Important:
This advertisement has been approved and/or communicated by Deutsche Bank AG London. This advertisement is intended as a branding exercise only and not an offer to enter into any transaction.

© Deutsche Bank AG, 2009

Obama gives China's ARJ21 plane a boost

He pledges to push for technical collaboration and eventual U.S. safety approval for the commuter jet

By Andy Pasztor And Norihiko Shirouzu

One of the few concrete signs of cooperation to emerge from this week's U.S.-China summit could boost Beijing's drive to become a global aircraft maker.

President Barack Obama pledged Tuesday to push for closer technical collaboration and eventual U.S. safety approval for China's ARJ21 commuter jet. That amounts to both a symbolic and practical step to counter Beijing's growing frustration with U.S. aviation policy and U.S. restrictions on the purchase of certain technologies.

The high-profile U.S. initiative is especially significant because China's own safety regulators are still a year or more away from approving the 70-to-100-passenger aircraft being developed by **Commercial Aircraft Corp. of China** Ltd., or Comac.

But signaling Washington's desire to provide technical support and regulatory certainty down the road also raises questions about both the overseas role and the independence of the U.S. Federal Aviation Administration, which has taken more of an arm's-length approach toward certifying the safety of China's future airliners.

Over the years, the FAA has forged close ties with Chinese carriers and aviation regulators through a multitude of joint safety efforts, data sharing and training programs. Hundreds of Beijing officials, airline managers, pilots and controllers have visited their U.S. counterparts. Partly as a result, the country's commercial-aviation accident rate—China has gone nearly five years without a major fatal crash—is by some measures better than that of the U.S.

But when it comes to regulatory approval, the FAA has tried to maintain greater distance. Before Mr. Obama's announcement, for example, FAA representatives in China pulled back from helping Comac teams developing the ARJ21 because of concern that such assistance might be considered a conflict of interest when other parts of the agency gear up to determine whether the plane meets U.S. safety standards. Nearly half the plane's parts come from the U.S. An FAA spokeswoman declined to comment on President Obama's announcement or what it means for future FAA steps.

So far, Western interest in buying the ARJ21 has been limited. At the Zhuhai air show in southern China last year, Comac announced it had won its first overseas order from **General Electric** Co. GE, which is supplying the engines, agreed to buy five of the regional jets with an option for 20 more, in a deal that could amount to $750 million. But GE also said that it planned to lease all the planes inside China. FAA certification is critical if Beijing hopes to attract other foreign buyers, and some U.S. officials predict it could take as long as two years. Currently undergoing flight tests, the plane has taken about twice as long to develop as its backers initially projected.

In some ways, however, the current discussions may be more of a prelude to broader commercial and regulatory cooperation on a larger Comac-designed jet, the more than 160-seat C919. Slated for certification no earlier than 2016, that model would compete directly with the two leading global airliner suppliers, **Boeing** Co and Airbus, a unit of **European Aeronautic Defence & Space** Co. Though still in early design, Chinese officials have said the C919 should have operating costs 10% below those of comparable Western jetliners.

Associated Press

China's ARJ21 passenger jetliner on a production line in Shanghai last winter. GE will buy and then lease the jets in China.

China Mobile counts on 3G services for growth

By Lorraine Luk

SHENZHEN, China—**China Mobile** Ltd., the world's largest mobile operator by subscribers, is pinning its hopes on new third-generation services such as mobile television and mobile readers to drive growth amid increasing competition and falling voice revenue.

Chairman Wang Jianzhou on Thursday said the company plans to launch mobile-reader services next year and is working with Datang Telecom Technology Co., Taiwan's Hon Hai Precision Industry Co. and Hanwang Technology Co. on electronic reading devices.

It is also planning to launch a trial service for mobile TV on third-generation handsets by the end of this year.

Mr. Wang said the company is targeting several million subscribers to its mobile-TV service in the first year and tens of millions of users in the second year. The new services should help China Mobile achieve profit growth, he said.

Mr. Wang said average revenue per user may be pressured further as the company adds customers in rural areas but it will work to control costs as business growth slows.

He said next year's capital spending will be lower than this year, though he declined to provide specific figures.

Additionally, the company plans to aggressively promote a low-cost third-generation handset, priced at about 1,000 yuan, or roughly $146, in an effort to cover 70% of China's cities on its 3G network by the end of 2009.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Alcoa 23
American International Group 15
Apple 9
Archer Daniels Midland 20
Armajaro (USA) 20
Axcan Pharma 21
Banco Santander Brasil 19
BASF 17
BOC International Holdings 19
Boeing 16
Cadbury 20
Cargill 20
Carlyle Group 19
China Central Television 15
China International Capital 19
China Investment Corp. 19
China Minsheng Banking Corp. 19
China Strategic Holdings 15
Chinatrust Financial Holding 15
Coca-Cola 15
Commercial Aircraft Corp of China 16
Dow Chemical 17
Dril-Quip 23
DuPont 23
DynCorp International 18
eSun Holdings 19
European Aeronautic Defence & Space 16
First Solar 9
Galaxy Entertainment Group 19
GameStop 18
General Electric 16
General Motors 3
Grand Korea Leisure 23
Groupe Danone 18
Haitong Securities 19
Hershey 20
Honeywell International 16
Hopu Investment Management 19
Hyundai Motor 3
Intel 23
ISI Solar 9
iTour 19
KB Financial 23
Lazard 18
LG Electronics A7
Lihir Gold 23
Longfor Properties 23
Macquarie Capital (Hong Kong) 19
Mars 20
Maxis 23
Merck 23
Microsoft 9
Mitsubishi Chemical Holdings 17
Mitsubishi Rayon 17
Mitsubishi UFJ Financial Group 23
Nan Shan Life Insurance 15
Nantong Rainbow Heavy Industry 19
Nestlé 20
Newcrest Mining 23
PepsiCo 15
Perennial Capital 20
Ping An Insurance 23
Pioneer Drilling 23
Playboy Enterprises 19
Poco Solar Energy 9
Primus Financial Holdings 15
Primus Nan Shan Holding 15
Prudential Financial 18
Salesforce.com 9
Shenzhen Ellassay Apparel Industrial 19
Shinhan Financial Group 23
Simon Property Group 18
Singapore Investment 23
Sony 7,28
SunPower 9
SunTech Power Holding 9
Temasek Holdings 23
Time Warner 17
Toyota Motor 23
UBS 19
Vizio 7
Wachtell, Lipton, Rosen and Katz 18
Xobni 9

People

This index lists the names of business-people and government regulators who receive significant mention in Today's Journal.

Albert, James 9
Armstrong, Tim 17
Bayley, Mark 22
Benioff, Marc 9
Bonfield, Andrew 20
Calmejane, Marie-Liesse 18
Capossela, Chris 9
Chambers, John 6
Dapolito, Paul 20
DeMatteo, Daniel 18
Faber, Emmanuel 18
Fang, Fenglei 19
Fukuda, Noriyuki 22
Gentile, Nicholas 20
Gonzalez, Jonathan 9
Gropper, Allan 18
Jennings, Peter 23
Joyce, David 17
Kenedi, Ron 9
Levy, Ellen 9
Li, Charlene 9
Loeffler, Kelly 20
Ma, Frederick 15
Manning, John 22
Matsushita, Shinichiro 23
McKahan-Jones, Mark 9
Ong, Richard 19
Or, Raymond 15
Pagliaro, Joseph 23
Primrose, Tricia 17
Prior-Wandesforde, Robert 4
Rajaratnam, Raj 21
Rosenbach, Gary 21
Shan, Nan 15
Soros, George 19
Tsou, Wayne 19
Tucci, Tom 22
Walls, Patrick 20
Werner, Tom 9
West, David 20
Wong, Carson 23
Wood, Andrew 18
Zuanic, Pablo 18

Mitsubishi Chemical to acquire Rayon

Materials sector consolidates in face of stronger competition from China and the Middle East

By Hiroyuki Kachi

Mitsubishi Chemical Holdings Corp. agreed to acquire **Mitsubishi Rayon** Co. in a deal that could be valued at more than $2 billion, creating a major global materials manufacturer to compete against emerging rivals from China and the Middle East.

The deal shows how players in the Japanese materials industry are keen to consolidate at a time when rising petrochemical production around the world is fueling fears of a looming supply glut. The global chemical sector has been through the debilitating effect of an economic downturn, a falloff in product prices as well as wide fluctuation in crude oil and other raw materials prices.

A combined Mitsubishi Chemical-Rayon would bring economics of scale and establish the company as one of the world's top ten chemical makers with estimated revenue of about 3.25 trillion yen ($36.4 billion). However, it would still be a long way behind industry leaders such as Germany's **BASF** and **Dow Chemical** Co. of the U.S.

The merger will "help accelerate Mitsubishi Chemical group's ongoing shift toward high value-added product businesses," in which Mitsubishi Rayon is strong, the two companies said.

Though Mitsubishi Chemical and Mitsubishi Rayon have no direct capital links, they are members of the complex family of Mitsubishi companies that are key to many sectors of the Japanese economy.

Mitsubishi Chemical Holdings operates three core businesses under its umbrella—Mitsubishi Plastics Inc., Mitsubishi Tanabe Pharma Corp. and Mitsubishi Chemical Corp., which respectively engage in synthetic resin, health care and chemicals. While refocusing on high-value products, it is streamlining some of its petrochemical businesses. Mitsubishi Chemical and Asahi Kasei Corp. are now in talks to merge their ethylene plant operations in Mizushima, Okayama prefecture in western Japan.

Meanwhile, Mitsubishi Rayon earlier this year itself concluded a $1.6 billion acquisition of U.K.-based Lucite International Group. The deal positioned Mitsubishi Rayon in the global No. 1 spot in the area of methyl methacrylate, or MMA, a compound used in the production of plastics for the manufacture of products such as mobile phones and auto parts. It also engages in carbon fibers, whose strength and lightness make them applicable for a wide range of industrial applications, as well as for sports gear.

Bloomberg News

Mitsubishi Chemical President Yoshimitu Kobayashi, left, greeted the media with Mitsubishi Rayon President Masanao Kanbara in Tokyo on Thursday.

Under the accord, Mitsubishi Chemical, Japan's top chemical maker, will launch a tender offer in the first 10 days of February for 380 yen per share, after reviews by antitrust authorities in Japan and overseas, the two companies said Thursday. The price tag, which is about 40% higher than Wednesday's closing price and 8% higher than Thursday's close after the announcement, gives Mitsubishi Rayon a market capitalization of 228 billion yen.

After completion of the tender offer and the settlement due by the end of March, Mitsubishi Chemical will buy the shares it still doesn't own in Mitsubishi Rayon via a stock swap.

On the Tokyo Stock Exchange, Mitsubishi Rayon shares were bid-only throughout the afternoon session and ended at the limit-up level of 351 yen, up 29% on speculation that the tender price would be offered at a premium. The Tokyo bourse temporarily suspended trading of both Mitsubishi Chemical and Mitsubishi Rayon shares after the lunch break to make investors aware of the merger news.

AOL to cut 2,500 jobs after Time Warner spinoff

By Nat Worden

NEW YORK—AOL Inc. plans to cut its work force by about a third, or roughly 2,500 jobs, as it prepares to spin off from **Time Warner** Inc. next month.

AOL Chief Executive Officer Tim Armstrong will surrender his 2009 bonus, which was expected to range from $1.5 million to $4 million. "That decision is a personal one and is not a sign for the future payout of the overall bonus plan for employees," he said in an email to employees on Thursday.

AOL has been reducing its work force for some time as it struggles to remake itself toward more of an advertising-driven model from its past life as an Internet-service provider. AOL had roughly 15,000 employees in 2000, before its merger with Time Warner. It now has about 6,900. The company in January announced it would lay off 700 employees.

A pioneer of the Internet, AOL at one point provided online access to 26.7 million consumers in the U.S. After its disastrous $100 billion marriage with Time Warner in 2001, AOL steadily lost its way as **Google** Inc. and other rivals started mining ad dollars from the Web more effectively. As of early this year, AOL had 6.3 million subscribers.

AOL's results have weighed on Time Warner's financial performance. The parent company's operating profit fell 10% in the third quarter from a year earlier, in part because of weak performance at AOL. The Internet division's operating profit came in at half its year-earlier level.

"This shows that at least they are proactively trying to figure out the best business model going forward," said David Joyce, an analyst with Miller Tabak & Co.

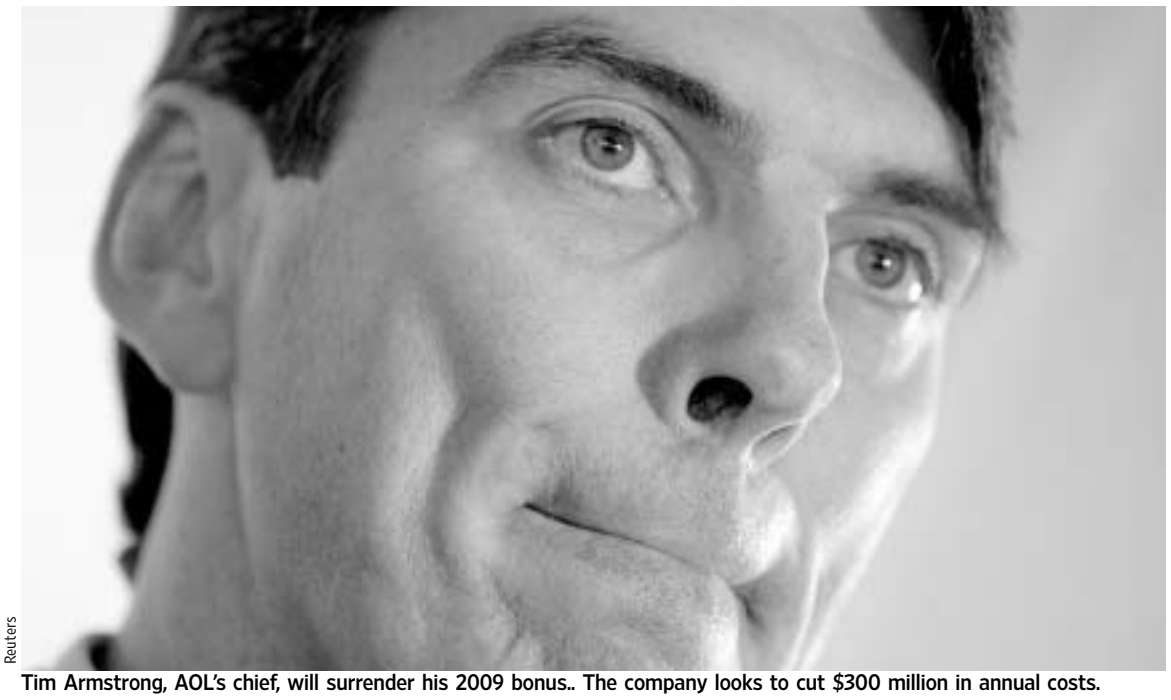
Mr. Armstrong is in the midst of a campaign to sell the Internet company to investors as a publicly traded business after years of strategic shifts and disappointing financial performances under Time Warner's ownership.

Mr. Armstrong has said the company will focus on expanding in online media content and branded display advertising as its dial-up Internet-access business declines.

The CEO began an effort to reduce the company's cost structure four months ago.

The company said Thursday it aims to cut annual operating costs by $300 million.

AOL said it will seek volunteers for layoffs through Dec. 11 and will resort to involuntary layoffs if it doesn't reach its target. It declined to say where or in what positions it is targeting cuts. The layoffs remain subject to approval by the new AOL board.



Reuters

Tim Armstrong, AOL's chief, will surrender his 2009 bonus.. The company looks to cut $300 million in annual costs.

"We believe the voluntary program gives people more choice and decision-making ability, instead of waiting for the final cost recommendations and involuntary layoffs," AOL spokeswoman Tricia Primrose said in an email. AOL is based in New York but has substantial operations in Virginia.

AOL, which is set to be spun off by Time Warner Dec. 9, had said it would take restructuring charges of as much as $200 million, most of it in the first half of next year.

In the spinoff, Time Warner holders will get one AOL share for every 11 Time Warner shares. Time Warner's stock was off 2.8% Thursday afternoon in New York.

China's national broadcaster expects rise in advertising revenue

Continued from page 15

The live auction of mainly prime-time ad slots drew an increase in revenue of 18.5% over last year's auction, although figures aren't directly comparable because of year-to-year variations in the inventory, or available advertising slots. Next year, for example, will see special broadcasts such as the soccer World Cup, the Vancouver Winter Olympics and the Guangzhou Asian Games on CCTV. Media buyers estimated that prices for prime-time slots increased about 15% over last year's prices.

Despite the rising competition for ad spending from other broadcasters and the digital sector, Seth Grossman, managing director for eastern China at Aegis Group PLC's media-buying agency, Carat, said, "CCTV is still the single most efficient way" to reach customers across the country.

Mr. Xia of CCTV said 2010 will see the biggest increases in advertising by companies in the home-improvement and appliance sectors, as well as from the auto industry.

Television ad prices are expected to continue rising across the board after new regulations take effect on Jan. 1 that impose restrictions on how much broadcast time can be allocated to advertising. The rules will have less of an impact on CCTV than on some other broadcasters, however, because it is already largely compliant with the new standards.

Xu Xinjian, chairman of Jiangsu Sunrain Solar Energy Co., said his company had spent about 140 million yuan ($20.5 million) on CCTV ads at Wednesday's auction, compared to 100 million yuan last year. "It's a bit expensive," said Mr. Xu, but "the power of CCTV's influence is beyond comparison with other media. It's still worth it."

A year ago, ad spending at the government-controlled TV station's prime-time auction grew 15% and media buyers say they saw about a 10% increase in ad rates.

Hong Kong-based analysts Media Partners Asia expect total 2009 net ad revenue in China of $21 billion. The firm said it expects 2010 revenue to increase by 10% to 15%.

CORPORATE NEWS

Danone reduces its sales-growth goals

French dairy firm reins in 3-year outlook as downturn hits consumer spending

By William Horobin

PARIS—**Groupe Danone** SA cut its revenue objectives for the next three years, citing a long-term change in consumer behavior amid the economic downturn. The new growth outlook contributed to a 4.4% drop in the French dairy company's shares Thursday.

At an annual investor conference that ended Wednesday, Danone said the downturn's lasting effects, including higher unemployment and massive government debt, are likely to continue to hamper consumer spending. The event was closed to journalists, but Danone's comments were reported by analysts.

Danone reset its medium-term sales-growth objective to "at least 5%" a year on a like-for-like basis, which excludes the impact of foreign-exchange fluctuations and acquisitions and disposals. The maker of the Activia and Actimel yogurt brands previously had a medium-term objective of like-for-like sales growth between 8% and 10%, although the company had said it would be "a few points below" that in 2009 as the economic slowdown weighed on revenue.

A Danone spokeswoman, Marie-Liesse Calmejane, said the medium term is about three years. Beyond that, she said, there is no reason for Danone not to be able to return to its 8% to 10% target.

Sipa via AP Images

Danone Chairman and CEO Franck Riboud at the company's annual shareholders meeting in Paris.

"The world at large has gone, and is still going through, a profound transformational phase which will have a long-lasting impact on society and on consumer behavior," said Danone's co-chief operating officer, Emmanuel Faber.

Shares in Danone closed at €40.65 ($60.82) in Paris Thursday, off €1.86. The stock has recovered from lows close to €31 in March, as Danone has sought to bolster volumes by increasing advertising, introducing new products and cutting prices.

"Many were expecting management to guide to the +6 to +8% range, not +5%...so this is likely to be a disappointment for the market," Sanford Bernstein analyst Andrew Wood said in a research note.

Bernstein rates Danone at "outperform."

Danone also introduced a medium-term objective of annual free cash flow from operations, targeting €2 billion by 2012.

"Of concern to us, the company did not elaborate on future earnings before interest and tax margin expansion and even hinted it was happy with the current 15% EBIT margin," J.P. Morgan analyst Pablo Zuanic said in a note to investors.

J.P. Morgan rates Danone at "overweight," but cut its target price to €48 from €52.

DynCorp admits it may have violated U.S. law

By August Cole

Defense contractor **DynCorp International** Inc. has admitted that it may have violated the Foreign Corrupt Practices Act when its subcontractors tried to speed up the issuance of visas and licensing related to work for the U.S. government overseas.

The company has thousands of workers in hot spots around the world providing services such as security for U.S. diplomats and building military bases in Afghanistan.

As much as $300,000 was questionably spent, according to the company. The disclosure was made in a Nov. 9 filing with the Securities and Exchange Commission.

In the SEC filing, DynCorp disclosed that the payments "were made to subcontractors in connection with servicing a single existing task order that the company has with a U.S. government agency."

DynCorp, like other high-risk oriented contractors, has become a cornerstone of the U.S. military and civilian efforts in Iraq and Afghanistan. The timing of the disclosure comes as DynCorp is assuming a larger role in both countries and underscores the legal and financial risks that battlefield contractors court when operating in overseas.

A DynCorp spokesman wouldn't disclose any specifics about the possible violation but said the company makes clear to its workers that it requires them to follow the law and conduct business ethically.

"We found this internally and voluntarily brought it to the Department of Justice and SEC," said DynCorp spokesman Douglas Ebner.

"We feel it is very important to be proactive," he added.

DynCorp said it has hired an outside firm to investigate the situation. It isn't clear when the review will be completed. An SEC spokesman declined to comment, as did a Justice Department spokeswoman.

United Press International

An Army sergeant, shown in October, coaches Afghan police at a U.S. outpost in Afghanistan. DynCorp has a contract to build such outposts.

This summer, DynCorp received a U.S. Army logistics contract to build bases and other infrastructure that could be worth as much as $7.5 billion over five years.

In September, DynCorp announced it was picked by the State Department for its latest contract to provide training and logistics, among other services, in Africa.

Throughout its involvement in Iraq and Afghanistan DynCorp has been in the spotlight. Chief Executive William Ballhaus, who came to the company in 2008, has been advocating stronger ethics and compliance measures, including the creation of a chief compliance officer in May. A U.S. DynCorp contractor died of an apparent drug overdose in Afghanistan in March, prompting fresh scrutiny of the company's oversight.

DynCorp's disclosure comes as U.S. authorities are taking a closer look at potential violations in different industries.

"There's clearly been an uptick in actual enforcement actions and governmental interest in those actions," said John Reynolds, a partner at Wiley Rein LLP in Washington.

General Growth says it reached mortgage pact

By Kris Hudson

Mall owner General Growth Properties Inc. announced in bankruptcy court Thursday that it had reached a deal with lenders and servicers to restructure $9 billion in mortgages on 77 malls in hopes of removing them from bankruptcy protection by the end of the year.

Attorneys for General Growth, which has been operating under Chapter 11 bankruptcy protection since April, outlined rough details of the deal in a court hearing before U.S. Bankruptcy Judge Allan Gropper. But they didn't touch on details such as the total amount of debt covered by the deal. General Growth intends to use the pact as a template for negotiating deals with the rest of its many creditors, its attorneys said. They requested a confirmation hearing for the initial pact be set for Dec. 14.

The deal would extend the due dates on the mortgages by an average of 4.5 to five years in return for General Growth providing those lenders "significant concessions" such as additional amortization payments on the loans, more reserves for the loans and additional bankruptcy protections for the lenders. General Growth's attorneys didn't quantify the total cost to the company.

The company paid an undisclosed fee to the lenders to clinch the pact. It will pay that fee and other costs of the deal from the cash it has on hand, according to a person familiar with the matter.

The lenders involved are servicers that are overseeing securitized mortgages and life-insurance companies including **Prudential Financial** Inc.

The company is "close" on similar deals with other lenders among its remaining $6 billion in secured debt in the bankruptcy case, this person said.

GameStop net increases 12% on solid sales

By Mary Ellen Lloyd

GameStop Corp. posted a 12% rise in its fiscal third-quarter earnings as sales of new games and used products increased and gained traction heading into the important holiday shopping season.

The Grapevine, Texas-based videogame retailer projected a "solid" fourth quarter, based on strong sales from big-name games such as "Call of Duty: Modern Warfare 2" and "New Super Mario Bros.," which were released earlier this month.

"The holiday season has started strong," said Chief Executive Daniel DeMatteo, adding that GameStop sold more than 2.5 million copies of the new Call of Duty game in the first 72 hours of its release.

For the latest quarter ended Oct. 31, the retailer reported earnings of $52.2 million, or 31 cents a share, up from $46.7 million, or 28 cents, a year earlier. Revenue rose 8.2% to $1.83 billion, while same-store sales slid 7.8%. Analysts had expected $1.73 billion in revenue.

Minsheng raises $3.86 billion

Chinese bank IPO draws strong interest; Hopu backs away

By Amy Or and Rick Carew

HONG KONG—Medium-sized Chinese lender **China Minsheng Banking Corp.** raised US$3.86 billion in its Hong Kong initial public offering, even as private-equity firm **Hopu Investment Management** Co. decided against buying into the deal, people familiar with the situation said Thursday.

Minsheng Bank, one of China's 10 largest commercial banks by assets, is Hong Kong's largest new listing this year, overtaking Metallurgical Corp. of China Ltd.'s US$2.4 billion H-share offering in September. It also is the world's fifth-largest IPO of the year after **Banco Santander Brasil** SA's US$7.5 billion flotation in October and China State Construction Engineering Corp. Ltd.'s US$7.3 billion Shanghai listing in July, data provider Dealogic said.

IPO FOCUS

It will rank just ahead of a $3.32 billion IPO of Maxis Bhd., which rose 8.4% on its Malaysian debut Thursday.

Minsheng Bank priced the sale of 3.32 billion shares at HK$9.08 (US$1.17) each, just above the middle of its indicative range of HK$8.50 to HK$9.50, a person familiar with the situation said. The lender received subscriptions for its IPO worth US$184.4 billion.

Hopu Fund, a US$2.5 billion private-equity firm founded by bankers Fang Fenglei and Richard Ong, had offered to lead a consortium that would have taken around US$1.2 billion of Minsheng's IPO if the pricing were in the range of HK$8.70 to HK$8.75 a share, a person familiar with the situation said earlier in the week.

That investment would have been larger than the US$340 million committed by five cornerstone investors, which include the Hong Kong asset-management unit of Ping An Insurance (Group) Co. of China Ltd., and a unit of Chinese Estates Holdings Ltd. The Ping An and Chinese Estates units had each subscribed to US$100 million of shares.

In another Hong Kong IPO, **Longfor Properties** Co., of Chongqing, rose 13% on its debut, as its high-profile investors, including China and Singapore's state investment funds and billionaire investor George Soros, piqued market interest. Shares in the developer closed at HK$8.01, compared with its HK$7.07 offer price.

Reuters

Minsheng Bank's IPO is the fifth-largest in the world this year.

Longfor raised US$912 million after pricing one billion shares near the top of its indicative range.

Chinese sovereign-wealth fund **China Investment Corp.** and Mr. Soros applied to buy shares in the company, a person familiar with the situation had said earlier, in addition to its five cornerstone investors, which included the Singaporean fund.

Investors recently have warmed up to IPOs of Chinese property companies after several lackluster deals in the past month.

In the Minsheng IPO, the retail tranche was 154 times covered, according to a person familiar with the offering, triggering a clawback mechanism that increased the retail portion to 20% from the original 5% of the deal. The institutional tranche was 40 times covered, the person added. Trading is to begin Nov. 26.

Minsheng Bank's HK$9.08 offer price translates to a forward valuation of 1.7 times book value, in line with China Citic Bank Corp. Ltd.'s 1.7 times forward price-earnings multiple for its Hong Kong-listed shares.

The price also is at a modest 5% discount to the Minsheng Bank shares that trade in Shanghai.Those shares closed on Thursday at 8.49 yuan (US$1.24) each.

Most dual-listed Chinese companies' H-shares trade at a discount to their yuan-denomonated A-shares, as the lack of offshore investment channels for mainland Chinese investors tends to drive share-price gains domestically.

BOC International Holdings Ltd., **China International Capital** Corp., **Haitong Securities** Co., **Macquarie Capital (Hong Kong)** Ltd. and **UBS** AG were in charge of the IPO.

In Kuala Lumpur, Maxis, Malaysia's biggest mobile-phone operator by subscribers, rose as institutional investors snapped up the shares.

Shares of the company, which relisted without its overseas operations after a two-year hiatus, closed at 5.42 ringgit.

Shares were priced at at 4.75 ringgit a share for individual investors and five ringgit apiece for institutional investors.

Based on Thursday's close, the telecom operator has a market capitalization of more than 40.65 billion ringgit, making it the fourth-largest company on the local exchange.

But a lack of growth prospects may limit further gains, traders and analysts said. Maxis is expected to show single-digit profit growth at best, given the high mobile penetration rate in the country.

"At current prices, Maxis's valuation remains toppish, trading at close to 17 times 2010 earnings multiple," said an analyst at a foreign research house.

By comparison, China Mobile Ltd., the world's biggest mobile operator by subscribers, is trading at 11 times, while Singapore Telecommunications Ltd. trades at 13 times.

Galaxy seeks up to $1 billion in debt

By Jackie Cheung

HONG KONG—**Galaxy Entertainment Group** Ltd., one of Macau's six casino operators, is seeking to raise up to eight billion Hong Kong dollars (US$1 billion) in debt to fund the development of its flagship project in Cotai, people familiar with the situation said Thursday.

One person said the company is considering various financing options, including syndicated loans, high-yield bonds or a mix of both. It isn't considering issuing convertible bonds or placing new shares.

The deal is expected to be completed in three to four weeks, the person said. Another person said the casino operator recently asked several banks to submit proposals for HK$8 billion in term loans with a maturity of three years.

A spokeswoman for Galaxy Entertainment declined to comment.

Galaxy said earlier this month it plans to open its 5.9 million-square foot integrated resort in Macau in the first quarter of 2011. The company delayed the project in November 2008, citing market conditions.

At the heart of the project, the 55,000-square foot casino in Cotai—an area of reclaimed land between two outlying islands off the Macau peninsula—is set to have 600 gambling tables and 2,200 luxury hotel rooms, suites and villas. These will be in three hotels: Galaxy Hotel, Japanese Okura Hotel and Banyan Tree suite and villa complex.

Galaxy expects the development cost to be about HK$14.1 billion, of which it says HK$5.1 billion has already been committed.

Sands China Ltd., the Macau unit of Las Vegas Sands Corp., is raising as much as US$3.83 billion in a Hong Kong initial public offering and US$1.75 billion in bank loans to revive work on building hotels and casino complexes in Cotai.

Wynn Macau Ltd., a unit of Wynn Resorts Ltd., raised US$1.9 billion in a Hong Kong IPO last month to fund the development of a resort called Encore.

Galaxy Entertainment has mandated Bank of America Merrill Lynch to be the financial adviser of the deal, the people said.

Separately, **Playboy Enterprises** Inc. has canceled its plan to open an entertainment venue in Macau, according to **eSun Holdings** Ltd., a shareholder in Playboy's joint venture partner. The Hong Kong-listed company didn't say why Playboy had terminated the project.

Playboy, publisher of Playboy magazine, and Cyber One Agents Ltd., planned to open the Playboy Mansion Macao this year.

—Amy Or contributed to this article.

Carlyle makes more China deals

By Ellen Sheng And Nisha Gopalan

HONG KONG—Private equity-firm **Carlyle Group** LP said it invested more than $60 million in three Chinese high-growth companies, four months after it closed its fourth Asian growth fund.

Carlyle Group on Thursday said it made investments in **Nantong Rainbow Heavy Industry** Co., a supplier of ship components and port and marine-related large steel structures; **China Agritech** Inc., which provides agricultural products; and online travel services company **iTour**.

Carlyle Asia Growth Group ended fund raising for its $1.04 billion Carlyle Asia Growth Partners IV in July.

The fund also invested $20 million in **Shenzhen Ellassay Apparel Industrial** Co., a Chinese women's fashion house, in September.

The deals indicate "the growth potential our investors see in Chinese small and medium-sized high-growth enterprises," said Wayne Tsou, managing director and head of Carlyle Asia Growth Group.

Of the latest investments, Mr. Tsou said all three companies have "a proven business model and rapid growth, coupled with a solid leadership team and a focus on long-term development in domestic and overseas markets."

Carlyle Group, which is based in Washington, D.C., has completed 10 deals in the Asian-Pacific region this year.

THE MART

ANNOUNCEMENTS

CEA CALIFORNIA EARTHQUAKE AUTHORITY

FINANCIAL ADVISORS

The California Earthquake Authority (CEA) is soliciting proposals from Financial Advisors to provide high-level expert advice on financial matters, including the evaluation and execution of debt and risk transfer instruments; and serve as a member of the organization's investment compliance committee. Please refer to the Contracting and Employment Opportunities section of the CEA's website at **www.EarthquakeAuthority.com** for a copy of the RFP, minimum qualifications, and contact information. Responses to this RFP are due by 4:00p.m. Pacific Time on December 18, 2009.

BOATING

YACHT FOR SALE OR TRADE

1993/2005 105' Westport Hull Crescent Beach Motor Yacht with 4 staterooms

SURVEYED AND APPRAISED AT $2.9MILLION USD

DIVORCE FORCED SALE SO MAKE YOUR BEST OFFER

Contact: Kevin at 404.307.0995 or email southernbaron@aol.com

BOATING

161' Trinity
2006/2007
stunning interior
MAKE OFFER
954 646-3090

BUSINESS OPPORTUNITIES

HONG KONG, GERMANY
SCANDINAVIA & EU
LAUNCHING NOW
This is the **Network Marketing** Elite to end all Elites.
Have you got what it takes to join the Worldwide Leadership Team?
24Hr Msge: +44 (0)1372 466270
WorldwideReply@Yahoo.com

New Global Category
100% water therapy products (trade secret). Exclusive distribution, private label. Six years market testing, $9m in sales. Patent, IP, registered trademarks.
800-367-6478
ExclusiveDistributor@Yahoo.com

BUSINESS OPPORTUNITIES

Tax Credits
For Sale
$700,000 per yr. for 10 years.
Must be a C Corp.
Dan 614 679 6672
dslane@theslanecompany.com

BUSINESS SERVICES

Our Business Plans Get Results!
Since 1974 our institutional business plans have an unprecedented 87% success rate and have raised billions in equity and debt funding for our clients worldwide!
www.StillmanGeorge.com
1.800.270.3954

TRAVEL

SAVE 60% FIRST/BUSINESS
Major Airlines. Corp. Travel
www.cookamerican.travel
(212) 201-1824
We Will Not Be Undersold
Cook **American Express Rep.**
Travel Services Representative

Korea tries to box in won

New rules aim to reduce volatility; limits on hedging

By Jin-Young Yook

SEOUL—South Korea unveiled several measures aimed at helping local firms better manage foreign-exchange risks and reducing imbalances that have made its market susceptible to bouts of volatility.

The steps, announced by the Financial Services Commission Thursday, follow a draft plan in September. They mark an effort to reduce the risk of swings in currency rates driven by South Korean firms hedging foreign cash flows and managing foreign liabilities. The FSC aims to have the rules take effect early next year.

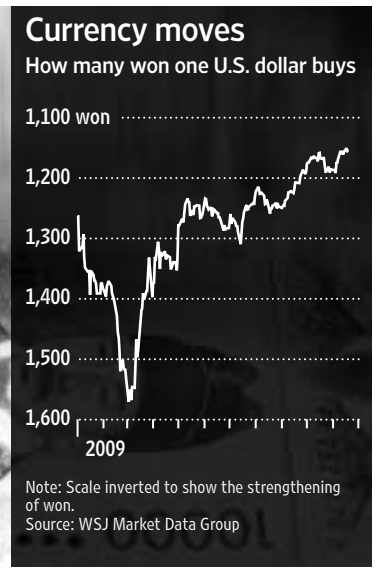
South Korea's markets were among the hardest hit in Asia during the recent global financial turmoil. Movements in the foreign-exchange market were made larger by hedging activity by South Korean exporters and banks trying to manage foreign debt obligations.

The regulator aims to prevent a repeat of the sort of turmoil that at its height saw the won plunge to an 11-year low against the dollar in March amid concern about the stability of Korea's financial system.

"This is in line with the suggestions made by the Financial Stability Board to minimize systemic risks" and to prepare for the sort of foreign-currency liquidity crises that may occur in newly developing countries, the Financial Services Commission said. The FSB is a new regulatory body set up by the Group of 20 industrial and developing nations to supervise a revamp of the global financial system.

Among the changes, the Korean regulator will limit the size of forward transactions that South Korean companies can enter in the foreign-exchange market to a total value of no more than 125% of the revenue they are hedging. Exporters, mainly shipbuilders, have sold large amounts of dollars in the forward market to hedge foreign orders, putting upward pressure on the won.

Bloomberg News



Asset-management companies will also be required to provide various options to hedge foreign-exchange exposure on overseas investment-fund products they sell.

Financial institutions, meanwhile, will be required to hold more than 2% of their foreign-currency assets in liquid assets carrying an investment rating of 'A' or higher. There is no such requirement now.

"Currently, most of the financial institutions meet the minimum requirement to be implemented, and we'll consider raising the requirement depending on market conditions," said Choo Kyung-ho, director-general of the financial policy bureau at the FSC.

In addition, the regulator aims to reduce banks' dependence on short-term funding by requiring them to increase the proportion of their long-term foreign-currency borrowing to long-term lending to more than 90% from the current 80%. That ratio will be raised to above 100% in the first half of next year, the FSC said.

The U.S. dollar rose against the won on news of the limit on forward transactions. Traders said it could mean less forward dollar selling by local exporters in the future.

"The latest move is positive, in the sense that any excessive one-sided bias in the dollar-won could be restrained," said a trader at a local bank.

Late Thursday morning in New York, the dollar was bid at 1160.0 won, compared with 1153.93 late Wednesday.

—Min-Jeong Lee contributed to this article.

Russia's VEB may buy 3% of Rusal in IPO

By Gregory L. White And Alexander Kolyandr White

MOSCOW—A Russian state-owned bank approved plans to buy as much as 3% of UC **Rusal** in its coming initial public offering, the latest sign of Kremlin support for the aluminum giant, people familiar with the situation said.

Vneshekonombank, or VEB, will spend up to about $600 million for the stake, becoming one of the largest investors in the IPO. The proposal was approved at a VEB board meeting in Moscow Thursday chaired by Prime Minister Vladimir Putin.

VEB Chief Vladimir Dmitriev told reporters after the meeting that "decisions have been made," but said revealing details could affect the market. A Rusal spokesman declined comment.

People familiar with the situation said VEB is likely to buy its stake as part of the IPO, which will sell 10% of the Rusal and value it around $20 billion, the low end of what many bankers had expected.

Rusal is racing to complete the IPO this year, assuming market conditions remain favorable. It wants to raise cash to pay off more than $16 billion in debt built up before the global financial crisis.

Participation in the IPO would be the latest in a string of Kremlin moves to assist one of the country's most politically connected tycoons, Rusal CEO and main shareholder Oleg Deripaska. Rusal also is one of the country's largest employers.

VEB provided a $4.5 billion bailout loan to Rusal a year ago, allowing the company to avoid losing vital assets to foreign creditors. The loan was the largest the bank offered to any of Russia's struggling tycoons. As collateral for that loan, VEB holds big stakes in Rusal units as well as Rusal's 25% stake in metals giant OAO Norilsk Nickel. VEB extended that loan last month; it comes due in October 2010.

VEB is likely to buy the IPO stake with money from the **National Wellbeing Fund**, the Kremlin's sovereign-wealth fund. The fund has cash that Russia set aside when it was flush from high oil prices.

Late last year, VEB invested several billion dollars from the fund to support the plunging Russian stock market, buying small stakes in a number of major blue-chip companies. The bank said those stakes are portfolio investments, and it has discussed reducing them now that stock prices have rebounded.

For the IPO, Rusal has been targeting Asian investors and plans to become the first Russian company with a listing on Hong Kong's stock exchange. Rusal has applied for a secondary listing in Paris.

The company has been trying to line up Chinese and other Asian state companies and investment funds as core investors in the issue, but hasn't gotten solid commitments, according to people involved in the preparations. One Asian sovereign-wealth fund looked at investing in the Rusal IPO but decided against it, according to a person familiar with the situation.

A listing hearing of the Hong Kong exchange was expected to approve the Rusal issue this week, but consideration has been postponed, probably until Nov. 26, according to a person close to the company.

Ahead of the IPO, Rusal hopes to restructure $7.4 billion in debt to foreign banks by month's end.

—Costas Paris in Singapore contributed to this article.

Electronic era zings the cocoa-futures market

By Carolyn Cui

Electronic trading was supposed to bring improvements to the insular world of cocoa-futures trading, where candy companies and cocoa dealers spent decades jostling in trading pits at the New York Board of Trade.

Two years into the electronic era, the cocoa market is in disarray. Market makers have disappeared. Overall volume has shrunk 20%.

Prices have swung sharply for months, creating headaches for chocolate makers, many of whom no longer use the exchange to hedge costs.

The problems in this obscure corner of the financial markets have hit consumers. **Cadbury** PLC has shrunk its Dairy Milk candy bars, while **Mars** Inc. reduced its Galaxy chocolate bars. Many candy companies have raised prices, too.

Previously, the New York Board of Trade's cocoa trading pit opened at 8 a.m. New York time and closed at 11:50 a.m. It was populated by a group of roughly 50 floor brokers, who acted as middlemen between big buyers and sellers of cocoa. Known in the pits as "locals," the group gleaned informational tidbits that they believed made them smarter traders.

"It was a fantastic time," said Paul Dapolito, president of Dapco Brokerage, which was the largest cocoa broker by trading volume. An average floor trader earned $250,000 a year, and some could earn as much as $1 million. Young traders usually went for beers after the market closed.

Then, IntercontinentalExchange Inc. purchased the New York Board of Trade in 2007, and converted it to an all-electronic exchange.

The move to all-electronic trading meant that practically any one could get involved in the cocoa markets, buying and selling futures contracts online. The hope was to make the cocoa markets more like other commodities, such as oil, where contracts are traded almost around the clock.

But the move had the opposite effect on commodities like cocoa: Many cocoa floor traders and brokers, who accounted for about 40% of the market, have quit. Dapco Brokerage, which used to handle 30% of the cocoa trading on the floor, went out of business a year ago.

Its departure scared off other electronic-commodities traders, who have stayed out of the $4.3 billion market because of high volatility and thin liquidity.

The liquidity crunch became more pronounced as the exchange extended the trading hours in 2007 in an effort to attract traders in Europe and Asia.

Trading now begins at 4 a.m. New York time and ends at 2 p.m. About 80% of trading is concentrated from 8 a.m. to noon, when U.S. traders are awake. Sometimes, fewer than 100 contracts trade each hour in the early mornings.

That has made the market for cocoa highly volatile. Cocoa surged 65% in the first half of 2008, to a 28-year high of $3,360 a ton on July 1, then plunged 43% in four months before recovering 77% to hit $3,392 in late October, the highest since June 1979. On Wednesday, cocoa settled at $3,199, up 3.7%.

Soaring prices of cocoa drove chocolate makers to raise prices and cut the size of candy bars since mid-2007.

In August 2008, **Hershey** Co. raised prices an average of 11% to offset "significant increases" in the cost of raw materials such as cocoa, sugar and peanuts, said Hershey Chief Executive David West in a statement at the time. Andrew Bonfield, Cadbury's chief financial officer, said on a September analysts' call that reducing bar sizes enabled the company to avoid raising prices.

During the first 10 months of 2009, cocoa's daily trading volume fell 14% to a level not seen since 2005. Cotton, coffee and orange juice also contracted, a contrast to markets like energy and metals, where greater participation helped volumes recover from last year's falloff.

People who depend on the market are looking for changes, including a reduction in trading hours. Wednesday, a group including Mars, Hershey, **Nestlé** SA, **Archer Daniels Midland** Co., **Cargill** Inc., and hedge funds **Armajaro (USA)** Inc. and **Perennial Capital** pushed the exchange at a meeting to shorten the trading hours from 8 a.m. to 1 p.m.

> Sometimes, fewer than 100 contracts trade each hour in the early mornings.

ICE has resisted calls to reduce trading hours. The exchange brands itself as a global marketplace and wants to keep hours long enough to compete with NYSE Liffe, which has a similar cocoa contract in London trading during similar hours.

The exchange is careful to "balance the concerns of the market where we think we can improve the markets, be it hours or contract sizes," ICE spokeswoman Kelly Loeffler said.

ICE declined to comment on the meeting.

"ICE is running it as a convenience store, thinking the longer it stays open, the more business it will attract," said Patrick Walls, a cocoa trader and a member of the exchange's cocoa committee. Mr. Walls used to be an active floor trader, but said "it's becoming difficult to trade" and offers to buy and sell often can't be matched.

Nicholas Gentile, who started in the cocoa pit as a broker in 1992, trades far less cocoa than he once did. Instead of rubbing shoulders with other traders in the pits, looking to pick up pieces of information that may give him an advantage, Mr. Gentile spends his days in his office, staring at screens and reading research reports.

Now that he is confined to an office, Mr. Gentile sees no incentive to trade cocoa exclusively. Without the floor buzz, "you trade everything the same way," said Mr. Gentile, who trades about 5% of the cocoa contracts that he used to.

The thinning market, he said, has limited his ability to trade "spreads," or bets on the differential between two contracts. Mr. Gentile said he now trades more grains.

Mr. Gentile gets up at 3:50 a.m. every day and sometimes doesn't brush his teeth or shower until the afternoon. "I know we were spoiled working on the floor," he said.

China's CIC to invest in 2 clean-energy firms

By Yvonne Lee

HONG KONG—Sovereign-wealth fund **China Investment Corp.** aims to tap rising demand for clean energy in the country by investing as much as $1.21 billion in two companies in the renewable-energy sector, people familiar with the matter say.

The transactions are among the US$300 billion sovereign-wealth fund's first equity investments in a domestic power producer and underscore China's support for renewable energy.

Hong Kong-listed **GCL-Poly Energy Holdings** Ltd. said CIC would buy a 20% stake in the co-generation power-plant operator in a deal valued at 5.56 billion Hong Kong dollars (US$717 million).

The company also said it agreed to set up a joint venture company with CIC to develop solar-energy projects.

Additionally, CIC agreed to buy US$300 million to US$500 million of shares in **China Longyuan Power Group** Corp.'s initial public offering, two people familiar with the situation told Dow Jones Newswires on Thursday.

CIC said it declined to comment on market speculation.

China Longyuan Power, a wind energy company, is seeking to raise US$1.3 billion in an IPO ahead of a Hong Kong listing Dec. 10, the people said. Premarketing of the deal began Monday, they added.

Longyuan is China's largest producer of electricity generated by wind power and is the renewable-energy arm of **China Guodian** Corp., one of the five biggest state-owned power generators in China in terms of capacity.

China is a major center for renewable-energy development, as the government seeks to diversify its fuel mix with investments in renewables infrastructure as part of its four trillion yuan (US$586 billion) economic-stimulus plan.

CIC's plans to invest in GCL-Poly Energy and Longyuan are seen as efforts by the Chinese government to support the development of the domestic clean-energy sector, analysts said.

"As the government is focused on supporting renewable energy, it is no surprise that CIC will announce more investments in this sector in the near term," said Lee Yuk Kei, an analyst at Core-Pacific Yamaichi International Ltd.

At the same time, CIC is rapidly deploying capital to take advantage of the global economic recovery by buying into natural resources and property assets.

CIC Chairman Lou Jiwei said in October that the sovereign-wealth fund had allocated US$110 billion for overseas investments and had deployed around half that sum. Commodities have been a focus of the fund's investing strategy and asset allocation, he said.

New link is seen to executive

By Susan Pulliam

A defendant accused of exchanging a case of cash for inside information has ties to Galleon Group's former No. 2 executive—the first link between a top executive at the hedge fund and smaller-time players cited in a sprawling insider-trading case.

The defendant, a trader who was wiretapped by the government in the high-profile case, was quoted talking with a colleague on Nov. 20, 2007, about how an unnamed person he referred to only as "G" would be "pissed" if he learned they had shut him out of certain inside information, according to a criminal complaint filed on Nov. 5.

"G" is Gary Rosenbach, a 53-year-old former Galleon senior partner who left the hedge fund because of family health reasons this year, according to people familiar with the matter.

A lawyer for Mr. Rosenbach, who hasn't been accused of wrongdoing, declined to comment.

Mr. Rosenbach's ties to the trader provide a connection between two criminal cases that have led to charges against 20 individuals, including hedge-fund managers, technology executives, a consultant and a lawyer.

The first set of arrests on October 16 led to charges against Galleon founder Raj Rajaratnam and five others, including technology executives, a consultant and others who were accused of participating in an insider-trading scheme that involved trades in big-name technology stocks.

A second round of arrests on Nov. 5 led to charges against 14 more individuals in a complaint that included elements of a James Bond movie, including throwaway cellphones and a ringmaster named "Octopussy."

Charged trader's ties to a former Galleon executive connect two criminal cases.

Several defendants in that case worked at tiny day-trading firms and operated outside the high-flying hedge-fund world of Mr. Rajaratnam and other Galleon employees. The defendants have said they are innocent.

A Nov. 5 complaint, filed in a New York federal court, alleges that the trader, Craig Drimal, "was concerned that 'G' would be 'pissed' if he found out" that an unnamed coconspirator "bought **Axcan** securities based on Drimal's information and Drimal had not told 'G' about it," suggesting that "G" was being kept out of the loop. A lawyer for Mr. Drimal declined to comment.

Messrs. Rosenbach and Drimal were close associates, people close to the situation say. The two often commuted from the suburbs together and exercised together frequently at a gym in New York City, the people say.

Mr. Rosenbach first asked Mr. Rajaratnam if Mr. Drimal could use an office at Galleon in 1998. Mr. Drimal left around 2001 to set up office at another hedge fund but returned in around 2002, the people say. He continued to use office space at Galleon, where he was known as "Ruby," until he was arrested.

In another part of the Nov. 5 complaint, the government alleges that Mr. Drimal—who allegedly reaped $2 million in illegal profit on the Axcan Pharma Inc. deal—said to another defendant in a Nov. 29, 2007, phone call recorded by federal agents that an unnamed individual had "some cash lying around" and is "going to take care of me," according to the complaint.

It isn't clear who that unnamed individual is.

In another call on Nov. 30, 2007, Mr. Drimal agreed to meet another defendant on Manhattan's Upper East Side, the complaint says. At about 2 p.m. the following day, Federal Bureau of Investigation agents allegedly observed Mr. Drimal arriving at the corner of First Avenue and 63rd Street in Manhattan.

According to the complaint, they saw the individual Mr. Drimal met get into the car, then exit the car carrying "an item the size of the VHS tape," which the FBI believed was filled with cash, a kickback for a tip.

—Gregory Zuckerman contributed to this article.

Hong Kong stocks' rise lifts the Exchange Fund

By Chester Yung

HONG KONG—The Hong Kong Exchange Fund's investment position improved in the third quarter largely reflecting stock market gains in Hong Kong and overseas, the Hong Kong Monetary Authority said Thursday.

Investment income totaled 71.9 billion Hong Kong dollars (US$9.28 billion) in the three months ended Sept. 30, compared with a loss of HK$48.3 billion in the same period a year earlier. It was up 23% from the second-quarter income figure of HK$58.5 billion.

The gains brought the Exchange Fund's income for the January to September period to HK$96.9 billion, the HKMA said.

The Exchange Fund's gain on its Hong Kong stock investments during the nine-month period totaled HK$42 billion, as the benchmark Hang Seng Index rose 46% during the period. Income on its overseas stock investments during the nine-month period was HK$34.8 billion.

The HKMA also recorded a gain of HK$6.9 billion on its bond investments from January through September.

The Exchange Fund, which is comprised of a variety of assets including stocks and bonds, amounted to HK$1.958 trillion as of Sept. 30.

The fund is used by the city's de facto central bank to maintain the Hong Kong dollar's peg to the U.S. dollar and ensure financial stability in the territory.

J.P. Morgan buys out Cazenove

By Margot Patrick

LONDON--**J.P. Morgan Chase** & Co. extended its reach in Europe on Thursday, saying it will pay £1 billion ($1.67 billion) to buy **Cazenove Group**, taking full control of the investment-banking and broking joint venture it set up with the U.K. company in 2005.

The buyout of J.P. Morgan Cazenove had been anticipated since the venture started and J.P. Morgan was granted an option to buy the 49.9% it didn't own, starting in 2010. An announcement of the deal had been considered imminent in recent days.

The main result of the transaction—apart from windfall payments to Cazenove shareholders, who will receive 535 pence for each share they hold—will be to combine J.P. Morgan Cazenove's U.K. cash equities and research business with the U.S. bank's overall European equities operations.

J.P Morgan paid about £159 million in 2004 for a 50% stake in the venture with Cazenove, and contributed its U.K. investment-banking operations. The venture has been regarded as one of the U.S. bank's biggest successes overseas.

Treasury prices climb as investors park funds

By Emily Barrett

NEW YORK — A slightly better-than-feared U.S. jobless report early Thursday did nothing to halt Treasurys' gains powered by investors' renewed confidence that low rates will continue for a long time.

U.S. CREDIT MARKETS

Investors continued a push into the safest possible paper. The move is driven by the desire to safeguard profits through the end of the year.

The morning's trade owed to investors' conviction that the Federal Reserve has no plans to raise rates anytime soon. That message, hammered by the top Fed officials for many months now, was put more explicitly Wednesday by St. Louis Fed President James Bullard.

In late morning trade, the 10-year note was up 12/32 point to 100 14/32 to yield 3.3231%.

Futures markets provided a strong indication of the shift. The July 2010 federal-funds contract priced in only a 12% chance for a rate hike to 0.5% at the Fed's June 2010 meeting, down from a 22% chance at Wednesday's settlement.

Another shift is the renewed surge of buying in Treasury bills. Particularly heavy demand for paper paying in January pushed that yield to zero Wednesday. Tom Tucci, head of government-bond trading at RBC, said "no one wants to risk profits" made this side of the financial crisis.

Auction keeps JGB yields flat

By Megumi Fujikawa

TOKYO—Japanese government-bond yields finished generally flat to lower Thursday on a solid auction of 20-year paper.

BOND MARKETS

The benchmark 10-year yield edged up 0.005 percentage point to 1.30%, but the 20-year yield dropped 0.015 percentage point to 2.04%.

The government sold 1.0054 trillion yen ($11.25 billion) of 20-year, 2.1% debt at the lowest price of 100.50, higher than traders' expectations of between 100.40 and 100.45, and yielding 2.064%.

Morgan Stanley strategist Noriyuki Fukuda said the auction confirmed "defensive money still tends to concentrate in safe-haven JGBs."

Friday, Bank of Japan Gov. Masaaki Shirakawa will speak following the central bank's two-day policy meeting. Official interest rates are expected to be left unchanged, and the market will be looking for indications on how officials might tackle deflation.

Retail bonds suffer setback in Australia

By Enda Curran

SYDNEY—Efforts to encourage Australian corporate issuers to sell debt securities to individual investors have taken a backward step after two major ratings companies said they won't apply for a license to rate such investments.

The decision by Standard & Poor's Ratings Services and Moody's Investors Service not to seek the license could have implications across the debt spectrum by limiting the attraction of hybrid bank bonds, an instrument that is especially attractive to non-institutional buyers.

The move follows a new requirement confirmed by the government last week. In line with sweeping global regulatory changes, ratings firms now need to apply to Australia's securities regulator for a financial-services license.

Companies can still apply to have their securities rated, but they won't be able to make that rating available to individual, also known as retail, investors.

Australia already has a constrained corporate-debt market, which companies say lacks depth and investor breadth to raise sufficient funds, forcing them to borrow offshore.

The decision by both ratings companies could have a lasting impact, said Mark Bayley, an independent credit strategist.

"I firmly believe that it will make it more difficult for the domestic banks to issue hybrids, leading to smaller issue size and also raising the cost of those funds," Mr. Bayley said.

The Australian Securities and Investments Commission is being lobbied by market players to reduce disclosure requirements on bonds offered by companies to individual investors.

But John Manning, credit strategist at Royal Bank of Scotland, said the impact on the retail-bond market could be more muted than some expect, as investors may look to the underlying risk and return, rather than any rating.

"Retail investors will continue to invest in names they are familiar with, at returns that are attractive," Mr. Manning said.

FUND SCORECARD

Sector Equity Utilities

Funds that invest primarily in the equities of companies in the utilities sector. At least 75% of total assets are invested in equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending November 19, 2009

Leading 10 Performers

FUND RATING*	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US** YTD	1-YR	2-YR	5-YR
NS	**Vontobel Tareno Water R1**	Vontobel Management S.A.	EUR	Luxembrg	**41.54**	60.21	-9.40	NS
NS	**PowerShares Palisades Global Water Fund**	Invesco Powershares Capital Mgmt LLC	EUR	Ireland	**38.28**	56.97	NS	NS
NS	**Swisscanto (LU) Equity Water Invest J**	Swisscanto (LU) EF Management Co. S.A.	EUR	Luxembrg	**43.06**	56.22	-13.06	NS
5	**Ibercaja Utilities FI**	Ibercaja Gestión	EUR	Spain	**18.93**	26.24	-6.79	13.35
3	**Montepio Euro Utilities**	Montepio Gestpo de Activos Financeiros	EUR	Portugal	**16.48**	25.64	-15.89	NS
4	**ICECAPITAL Glbl Utilities Energy A**	ICECAPITAL Rahastoyhtiö Oy	EUR	Finland	**20.82**	24.76	-11.38	9.71
4	**StreetTRACKS MSCI Europe Utls ETF A/I**	State Street Global Advisors France	EUR	France	**12.91**	20.30	-15.91	12.22
3	**EasyETF Euro Utilities A/I**	BNP Paribas-AXA	EUR	France	**6.11**	19.73	-18.86	11.84
3	**Fortis B Eq Utilities Europe Inc**	Fortis Investments (BE)	EUR	Belgium	**12.81**	18.15	-17.60	10.35
3	**Eurizon EasyFund Equity Utilities R**	Eurizon Capital S.A.	EUR	Luxembrg	**11.08**	18.01	-11.58	7.05

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	11/19	EUR	55.28	22.6	21.5	-27.9
■ ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	11/18	USD	10.42	26.9	33.1	-14.7
Am Eq Blend B	US	EQ	LUX	11/18	USD	9.80	25.8	31.9	-15.5
Am Growth A	US	EQ	LUX	11/18	USD	30.89	34.9	50.2	-5.6
Am Growth AX	US	EQ	LUX	11/18	USD	33.32	35.6	51.1	-5.1
Am Growth B	US	EQ	LUX	11/18	USD	26.00	33.7	48.7	-6.6
Am Growth C	US	EQ	LUX	11/18	USD	27.96	34.4	49.5	-6.0
Am Growth I	US	EQ	LUX	11/18	USD	34.20	35.8	51.4	-4.9
Am Income A	US	BD	LUX	11/18	USD	8.44	24.0	33.6	5.4
Am Income A2	US	BD	LUX	11/18	USD	18.93	24.4	33.7	5.4
Am Income A2	OT	OT	NA	11/18	HKD	146.71	NS	NS	NS
Am Income AT	OT	OT	NA	11/18	HKD	65.41	NS	NS	NS
Am Income AT	US	BD	LUX	11/18	USD	8.44	24.3	33.6	5.4
Am Income B	US	BD	LUX	11/18	USD	8.44	23.1	32.5	4.6
Am Income B2	US	BD	LUX	11/18	USD	16.33	23.6	32.8	4.7
Am Income B2	OT	OT	NA	11/18	HKD	126.56	NS	NS	NS
Am Income BT	OT	OT	NA	11/18	HKD	65.80	NS	NS	NS
Am Income BT	US	BD	LUX	11/18	USD	8.49	23.7	32.7	4.7
Am Income C	US	BD	LUX	11/18	USD	8.44	23.4	32.9	4.9
Am Income C2	US	BD	LUX	11/18	USD	24.28	23.9	33.1	4.9
Am Income I	US	BD	LUX	11/18	USD	8.44	24.6	34.5	6.1
Am Value A	US	EQ	LUX	11/18	USD	8.53	18.3	32.2	-14.0
Am Value B	US	EQ	LUX	11/18	USD	7.86	17.1	30.8	-14.8
Am Value C	US	EQ	LUX	11/18	USD	8.53	17.7	31.4	-14.4
Am Value I	US	EQ	LUX	11/18	USD	9.17	19.1	33.3	-13.3
Asian Technology A	OT	OT	LUX	11/18	USD	14.76	68.7	87.8	-5.4
Asian Technology B	OT	EQ	LUX	11/18	USD	12.93	67.3	86.0	-6.3
Asian Technology I	OT	EQ	LUX	11/18	USD	16.44	69.8	89.4	-4.6
Emg Mkts Debt A	GL	BD	LUX	11/18	USD	15.63	43.3	60.4	7.8
Emg Mkts Debt A2	GL	BD	LUX	11/18	USD	20.04	44.0	60.2	7.9
Emg Mkts Debt AT	GL	BD	LUX	11/18	USD	15.72	44.0	60.4	7.9
Emg Mkts Debt B	GL	BD	LUX	11/18	USD	15.63	42.2	58.9	6.8
Emg Mkts Debt B2	GL	BD	LUX	11/18	USD	19.32	42.7	58.6	6.8
Emg Mkts Debt BT	GL	BD	LUX	11/18	USD	15.70	42.7	58.7	6.8
Emg Mkts Debt C	GL	BD	LUX	11/18	USD	15.63	42.8	59.7	7.4
Emg Mkts Debt C2	GL	BD	LUX	11/18	USD	19.71	43.4	59.6	7.4
Emg Mkts Debt I	GL	BD	LUX	11/18	USD	15.63	43.9	61.2	8.4
Emg Mkts Growth A	GL	EQ	LUX	11/18	USD	33.92	69.3	84.4	-14.9
Emg Mkts Growth B	GL	EQ	LUX	11/18	USD	28.79	67.9	82.7	-15.7
Emg Mkts Growth C	GL	EQ	LUX	11/18	USD	29.42	68.6	83.6	-15.3
Emg Mkts Growth I	GL	EQ	LUX	11/18	USD	37.57	70.5	86.0	-14.2
Eur Growth A	OT	OT	LUX	11/18	USD	10.45	25.3	22.5	-18.6
Eur Growth A	OT	OT	LUX	11/18	EUR	6.98	25.3	22.5	-18.6
Eur Growth B	OT	OT	LUX	11/18	EUR	6.28	24.1	21.2	-19.4
Eur Growth B	OT	OT	LUX	11/18	USD	9.40	24.1	21.2	-19.4
Eur Growth C	EU	EQ	LUX	11/18	EUR	5.29	24.8	21.9	-19.0
Eur Growth I	OT	OT	LUX	11/18	USD	11.37	26.0	23.4	-18.0
Eur Growth I	OT	OT	LUX	11/18	EUR	7.60	26.0	23.4	-18.0
Eur Income A	OT	OT	LUX	11/18	EUR	6.63	38.8	32.8	3.2
Eur Income A	OT	OT	LUX	11/18	USD	9.92	38.8	32.8	3.2
Eur Income A2	OT	OT	LUX	11/18	EUR	12.84	39.4	32.9	3.4
Eur Income A2	OT	OT	LUX	11/18	USD	19.22	39.4	32.9	3.4
Eur Income AT	EU	BD	LUX	11/18	EUR	6.64	39.3	32.8	3.3
Eur Income B	OT	OT	LUX	11/18	EUR	6.63	38.0	32.0	2.5
Eur Income B	OT	OT	LUX	11/18	USD	9.92	38.0	32.0	2.5
Eur Income B2	OT	OT	LUX	11/18	EUR	11.95	38.5	31.9	2.6
Eur Income B2	OT	OT	LUX	11/18	USD	17.88	38.5	31.9	2.6
Eur Income BT	EU	BD	LUX	11/18	EUR	6.64	38.5	32.0	2.5
Eur Income C	OT	OT	LUX	11/18	EUR	6.63	38.3	32.3	2.8
Eur Income C	OT	OT	LUX	11/18	USD	9.92	38.3	32.3	2.8
Eur Income C2	OT	OT	LUX	11/18	EUR	12.80	38.8	32.2	2.9
Eur Income C2	OT	OT	LUX	11/18	USD	19.16	38.8	32.2	2.9
Eur Income I	OT	OT	LUX	11/18	EUR	6.63	39.3	33.5	3.8
Eur Income I	OT	OT	LUX	11/18	USD	9.92	39.3	33.5	3.8
Eur Strat Value A	OT	OT	LUX	11/18	EUR	8.43	21.1	21.8	-22.2
Eur Strat Value A	OT	OT	LUX	11/18	USD	12.62	21.1	21.8	-22.2
Eur Strat Value I	OT	OT	LUX	11/18	EUR	8.63	22.1	22.9	-21.5
Eur Strat Value I	OT	OT	LUX	11/18	USD	12.91	22.1	22.9	-21.5
Eur Value A	OT	OT	LUX	11/18	USD	13.59	24.7	26.1	-19.4
Eur Value A	OT	OT	LUX	11/18	EUR	9.08	24.7	26.1	-19.4
Eur Value B	OT	OT	LUX	11/18	EUR	8.37	23.6	24.9	-20.2
Eur Value B	OT	OT	LUX	11/18	USD	12.53	23.6	24.9	-20.2
Eur Value C	OT	OT	LUX	11/18	EUR	13.15	24.2	25.6	-19.7
Eur Value C	OT	OT	LUX	11/18	EUR	8.79	24.2	25.6	-19.7
Eur Value I	OT	OT	LUX	11/18	USD	15.68	25.5	27.2	-18.7
Eur Value I	OT	OT	LUX	11/18	EUR	10.48	25.5	27.2	-18.7
Gl Balanced (Euro) A	OT	OT	LUX	11/18	USD	16.97	19.6	22.6	-11.7
Gl Balanced (Euro) B	OT	OT	LUX	11/18	USD	16.55	18.5	21.4	-12.5
Gl Balanced (Euro) C	OT	OT	LUX	11/18	USD	16.85	19.4	22.4	-11.9
Gl Balanced (Euro) I	OT	OT	LUX	11/18	USD	17.27	NS	NS	NS
Gl Balanced A	US	BA	LUX	11/18	USD	16.57	24.7	32.2	-10.6
Gl Balanced B	US	BA	LUX	11/18	USD	15.78	23.7	31.0	-11.4
Gl Balanced C	OT	OT	LUX	11/18	USD	16.33	24.4	31.8	-10.8
Gl Balanced C	OT	OT	LUX	11/18	EUR	10.91	24.4	31.8	-10.8
Gl Balanced I	US	BA	LUX	11/18	USD	17.18	25.5	33.2	-9.9
Gl Bond A	US	BD	LUX	11/18	USD	9.32	12.9	18.3	4.7
Gl Bond A2	US	BD	LUX	11/18	USD	16.06	13.0	18.3	4.6
Gl Bond A2	OT	OT	NA	11/18	HKD	124.47	13.0	18.3	4.6
Gl Bond AT	OT	OT	LUX	11/18	HKD	72.23	13.1	18.3	4.7
Gl Bond AT	US	BD	LUX	11/18	USD	9.32	13.1	18.3	4.7
Gl Bond B	US	BD	LUX	11/18	USD	9.32	11.9	17.1	3.6
Gl Bond B2	US	BD	LUX	11/18	USD	14.08	12.0	17.0	3.6
Gl Bond B2	OT	OT	NA	11/18	HKD	109.12	12.0	17.0	3.6
Gl Bond BT	OT	OT	LUX	11/18	HKD	72.46	12.0	17.1	3.6
Gl Bond BT	US	BD	LUX	11/18	USD	9.35	12.0	17.1	3.6
Gl Bond C	US	BD	LUX	11/18	USD	9.32	12.4	17.8	4.2
Gl Bond C2	US	BD	LUX	11/18	USD	13.95	12.6	17.8	4.2
Gl Bond I	US	BD	LUX	11/18	USD	9.32	13.4	19.0	5.3
Gl Conservative A	US	BA	LUX	11/18	USD	15.02	16.6	21.4	-3.9
Gl Conservative A2	US	BA	LUX	11/18	USD	16.99	16.5	21.4	-3.9
Gl Conservative B	US	BA	LUX	11/18	USD	14.99	15.5	20.2	-4.9
Gl Conservative B2	US	BA	LUX	11/18	USD	16.16	15.5	20.1	-4.9
Gl Conservative C	US	BA	LUX	11/18	USD	15.00	16.1	20.9	-4.3
Gl Conservative C2	US	BA	LUX	11/18	USD	16.63	16.1	20.9	-4.3
Gl Conservative I	US	BA	LUX	11/18	USD	15.09	17.4	22.4	-3.1
Gl Eq Blend A	GL	EQ	LUX	11/18	USD	11.75	31.4	40.7	-20.9
Gl Eq Blend B	GL	EQ	LUX	11/18	USD	11.04	30.3	39.4	-21.7
Gl Eq Blend C	GL	EQ	LUX	11/18	USD	11.54	30.8	40.0	-21.3
Gl Eq Blend I	GL	EQ	LUX	11/18	USD	12.38	32.4	41.8	-20.3
Gl Growth A	GL	EQ	LUX	11/18	USD	42.04	30.4	37.2	-21.8
Gl Growth B	GL	EQ	LUX	11/18	USD	35.13	29.2	35.8	-22.6
Gl Growth C	GL	EQ	LUX	11/18	USD	40.36	29.8	36.6	-22.2
Gl Growth I	GL	EQ	LUX	11/18	USD	46.63	31.3	38.3	-21.2
Gl High Yield A	US	BD	LUX	11/18	USD	4.27	56.2	61.6	3.1
Gl High Yield A2	US	BD	LUX	11/18	USD	9.04	56.9	61.1	3.0
Gl High Yield A2	OT	OT	NA	11/18	HKD	70.06	56.9	61.1	3.0
Gl High Yield AT	OT	OT	NA	11/18	HKD	32.86	57.2	61.0	3.0
Gl High Yield AT	US	BD	LUX	11/18	USD	4.24	57.2	61.0	3.0
Gl High Yield B	US	BD	LUX	11/18	USD	4.27	54.5	59.4	1.8
Gl High Yield B2	US	BD	LUX	11/18	USD	14.55	55.6	59.5	2.0
Gl High Yield B2	OT	OT	NA	11/18	HKD	112.76	55.6	59.5	2.0
Gl High Yield BT	OT	OT	NA	11/18	HKD	33.40	55.4	59.7	2.0
Gl High Yield BT	US	BD	LUX	11/18	USD	4.31	55.4	59.7	2.0
Gl High Yield C	US	BD	LUX	11/18	USD	4.27	55.5	60.6	2.5
Gl High Yield C2	US	BD	LUX	11/18	USD	13.40	56.4	60.3	2.5
Gl High Yield I	US	BD	LUX	11/18	USD	4.27	57.2	62.8	3.8
Gl Value A	GL	EQ	LUX	11/18	USD	11.26	32.6	44.4	-20.1
Gl Value B	GL	EQ	LUX	11/18	USD	10.36	31.5	42.9	-20.9
Gl Value C	GL	EQ	LUX	11/18	USD	10.95	32.1	43.7	-20.5
Gl Value I	GL	EQ	LUX	11/18	USD	11.96	33.5	45.3	-19.5
Greater China A	AS	EQ	LUX	11/18	USD	40.39	57.5	77.9	-16.6
Greater China B	AS	EQ	LUX	11/18	USD	35.79	56.1	76.0	-17.4
Greater China C	AS	EQ	LUX	11/18	USD	39.90	56.8	77.0	-16.9
India Growth A	OT	OT	LUX	11/18	USD	124.22	NS	NS	NS
India Growth AX	OT	OT	LUX	11/18	USD	108.54	87.9	99.5	-10.0
India Growth B	OT	OT	LUX	11/18	USD	130.28	NS	NS	NS
India Growth BX	OT	OT	LUX	11/18	USD	92.89	86.3	97.6	-10.9
India Growth I	EA	EQ	LUX	11/18	USD	112.42	88.6	100.3	-9.7
Int'l Health Care A	OT	EQ	LUX	11/18	USD	133.34	13.6	16.4	-10.2
Int'l Health Care B	OT	EQ	LUX	11/18	USD	112.60	12.6	15.3	-11.1
Int'l Health Care C	OT	EQ	LUX	11/18	USD	127.86	13.1	15.9	-10.6
Int'l Health Care I	OT	EQ	LUX	11/18	USD	145.55	14.4	17.4	-9.4
Int'l Technology A	OT	EQ	LUX	11/18	USD	106.08	45.0	55.9	-12.7
Int'l Technology B	OT	EQ	LUX	11/18	USD	92.03	43.8	54.3	-13.6
Int'l Technology C	OT	EQ	LUX	11/18	USD	102.57	44.4	55.2	-13.1
Int'l Technology I	OT	EQ	LUX	11/18	USD	118.83	46.0	57.1	-12.0
Japan Eq Blend A	JP	EQ	LUX	11/18	JPY	5535.00	3.1	8.1	-26.2
Japan Eq Blend B	JP	EQ	LUX	11/18	JPY	5348.00	2.3	7.0	-26.9
Japan Eq Blend C	JP	EQ	LUX	11/18	JPY	5450.00	2.8	7.6	-26.5
Japan Growth A	JP	EQ	LUX	11/18	JPY	5450.00	-2.0	0.9	-26.6
Japan Growth B	JP	EQ	LUX	11/18	JPY	5266.00	-2.9	-0.1	-27.3
Japan Growth C	JP	EQ	LUX	11/18	JPY	5366.00	-2.4	0.5	-26.9
Japan Strat Value A	JP	EQ	LUX	11/18	JPY	5600.00	8.6	15.5	-26.1
Japan Strat Value B	JP	EQ	LUX	11/18	JPY	5415.00	7.6	14.4	-26.8
Japan Strat Value C	JP	EQ	LUX	11/18	JPY	5509.00	8.1	15.0	-26.4
Real Estate Sec. A	OT	EQ	LUX	11/18	USD	14.17	32.8	54.5	-17.2
Real Estate Sec. B	OT	EQ	LUX	11/18	USD	12.96	31.6	52.8	-18.0
Real Estate Sec. I	OT	EQ	LUX	11/18	USD	15.21	33.7	55.7	-16.5
Short Mat Dollar A	US	BD	LUX	11/18	USD	7.22	10.3	8.1	-7.0
Short Mat Dollar A2	US	BD	LUX	11/18	USD	9.69	10.6	8.1	-7.0
Short Mat Dollar AT	US	BD	LUX	11/18	USD	7.22	10.6	8.1	-7.0
Short Mat Dollar B	US	BD	LUX	11/18	USD	7.22	9.9	7.6	-7.4
Short Mat Dollar B2	US	BD	LUX	11/18	USD	9.65	10.2	7.7	-7.4
Short Mat Dollar BT	OT	OT	LUX	11/18	USD	7.24	9.5	7.1	-7.7
Short Mat Dollar C	US	BD	LUX	11/18	USD	7.22	9.9	7.6	-7.4
Short Mat Dollar C2	US	BD	LUX	11/18	USD	13.64	10.2	7.7	-7.4
Short Mat Dollar I	US	BD	LUX	11/18	USD	7.22	10.8	8.7	-6.5

Advertisement [ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
■ ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	10/30	USD	1642.69	69.6	71.6	NS
■ CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	11/18	USD	118.51	17.5	17.1	9.1
■ PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	09/30	USD	94.24	12.2	-6.9	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	08/31	USD	105.38	2.5	-9.3	-26.1
Platinm-Emancipation	OT	OT	USA	09/30	USD	96.83	29.4	0.4	-7.7
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	09/30	USD	59.71	27.4	-18.1	-32.3
Platinm-Nordic	OT	OT	CYM	09/30	SEK	591.49	8.4	-6.2	-19.0
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	09/30	USD	55.93	NS	8.3	-39.0
■ SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
*Closed for New Investments									
Superfund Cayman*	OT	OT	CYM	11/17	USD	48.56	-46.0	-39.3	-7.7
Superfund GCT USD*	GL	EQ	LUX	11/17	USD	2508.00	-35.3	-31.8	-4.6
Superfund Green Gold A (SPC)	OT	OT	CYM	11/17	USD	1108.42	-11.4	6.0	7.2
Superfund Green Gold B (SPC)	OT	OT	CYM	11/17	USD	1123.95	-23.8	-6.7	2.7
Superfund Q-AG*	OT	OT	AUT	11/17	EUR	7118.00	-22.5	-19.1	0.0
■ WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	10/30	EUR	939.64	NS	NS	NS
Winton Evolution GBP Cls G	OT	OT	CYM	10/30	GBP	943.02	NS	NS	NS
Winton Evolution USD Cls F	OT	OT	CYM	10/30	USD	1189.62	-6.2	-1.5	3.1
Winton Futures EUR Cls C	OT	OT	VGB	10/30	EUR	192.39	-6.5	0.0	7.8
Winton Futures GBP Cls D	OT	OT	VGB	10/30	GBP	207.72	-6.4	0.6	8.9
Winton Futures JPY Cls E	OT	OT	VGB	10/30	JPY	13589.60	-7.9	-1.6	4.9
Winton Futures USD Cls B	OT	OT	VGB	10/30	USD	682.02	-7.0	-0.3	7.5
■ ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	11/19	EUR	50.48	31.0	45.5	-10.9
Industria AE	EU	EQ	DEU	11/19	EUR	69.84	34.5	35.5	-16.8
InternRent AE	EU	BD	DEU	11/19	EUR	35.04	3.0	0.3	8.6

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com or Peter Jennings, tel: +44-20-7842-9674; email: peter.jennings@dowjones.com

MARKETS

U.S. stocks slide amid uncertainty

Intel, metals and energy were big drags

A Wall Street Journal Roundup

U.S. stocks were in the red Thursday, led by falling metals and energy shares, as gains in the dollar and Treasurys underscored economic uncertainty and prompted a move out of riskier assets.

Near midday in New York, the Dow Jones Industrial Average was down 137.02 points, or 1.3%, at 10289.29. **Intel** was its weakest component, down 5.4% after Bank of America Merrill Lynch downgraded eight microchip companies, including Intel. Just one of the Dow's 30 components was in the black. **Merck** climbed 1.1%.

ABREAST OF THE MARKET

Two days of declines have the Dow sitting roughly where it was at the end of last week, having erased more than 160 points of gains from Monday and Tuesday.

The tech-heavy Nasdaq Composite declined 43.53, or 2%, to 2149.33, while the Standard & Poor's 500-stock index dropped 17.77, or 1.6%, to 1092.03. All the S&P 500's categories were in the red.

Materials was the worst-performing sector, off 3%, while the energy sector was down 2.4%. The categories were hurt by declines in metals and crude-oil futures.

Stocks at the forefront of the decline included Dow components **Alcoa**, down 4.6%, and **DuPont**, which was off 2.3%. Energy firms **Pioneer Drilling**, off 6.1%, and **Dril-Quip**, down 5.1%, lead the S&P 500's fall.

Thursday's trend away from energy and materials firms marks a reversal, as both sectors have been at the forefront of the market's November gains stemming from an upturn in economic sentiment and rising oil prices. Crude oil for December delivery was down $2.42 to $77.16 a barrel late morning on the New York Mercantile Exchange.

European markets

Stocks fell for the third session in a row, with lower commodity-futures prices taking the shine off the mining sector and downbeat guidance weighing on shares of **Danone**.

The pan-European Dow Jones Stoxx 600 index fell 1.7% to 245.52.

In the mining sector, **Xstrata** fell 5.1% and **Anglo American** dropped 3.9%, as the dollar gained some traction against the euro and sterling.

Danone fell 4.4% after cutting its medium-term outlook for sales growth. The losses pressured the broader French market, as the CAC-40 index slid 1.8% to 3760.22

The German DAX index dropped 1.5% to end at 5702.18 and the U.K. FTSE 100 index fell 1.4% to 5267.70.

Dollar and yen rise as appetite for risk wanes

By Paul Evans

The dollar and the yen advanced Thursday, gaining from renewed interest in safe-haven assets as investors once again find reasons to shun risk.

Slumping global equity markets, pullbacks for gold and other commodities, and indications from around the globe of a more restrictive official stance toward capital flows and currency volatility have all contributed to a fresh bout of risk aversion.

CURRENCY MARKETS

Early Thursday, the euro was at $1.4866 from $1.4960 late Wednesday. The dollar was at 88.77 yen from 89.37 yen, and the euro was at 131.98 yen from 133.69 yen.

The U.K. pound was at $1.6625 from $1.6740. The dollar was at 1.0177 Swiss francs from 1.0101 Swiss francs.

Some of the investor caution has flowed from less-than-encouraging economic data, but also from ambivalent signals from Federal Reserve speakers about the possible timing of eventual interest-rate increases and the Fed's attitude toward the weakening dollar.

Also weighing on risk attitudes have been various restrictions imposed by some emerging-market central banks to limit the appreciations of their respective currencies against the dollar.

IPO gains offer a boost, but investors hold back

By Colin Ng And Philip Vahn

A series of healthy share debuts lent strength to Asian stock markets Thursday, but investors appeared to pause for breath after recent gains. The key indexes closed mixed.

Japan's Nikkei Stock Average of 225 companies finished 1.3% lower at 9549.47, while the broader Topix fell for a seventh consecutive session, by 1.5%. South Korea's Kospi rose 1%, Australia's S&P/ASX 200 inched up 0.2%, and Taiwan's Taiex slipped 0.1%. China's Shanghai Composite advanced 0.5% and Hong Kong's Hang Seng Index gave up 0.9%.

ASIAN-PACIFIC STOCKS

"It looks as though the market is going to consolidate for a little bit until we start to get some firmer positive direction out of the U.S.," said Joseph Pagliaro, a client adviser at Australia's Wilson HTM.

India's Sensitive Index fell 1.3% in Mumbai, while Singapore's Straits Times Index advanced 0.5%.

In Malaysia, the Kuala Lumpur Composite Index rose just 0.1% despite a strong share-market opening by **Maxis**, the country's biggest mobile-phone operator by subscribers. Shares of Maxis closed at 5.42 ringgit ($1.61), marking an 8.4% rise from its IPO price of five ringgit.

Dealers and analysts say the $3.3 billion IPO has the potential to attract greater interest from foreign investors for Bursa Malaysia, adding to liquidity on the exchange.

In Hong Kong, shares of **Longfor Properties** performed better than expected, ending at 8.01 Hong Kong dollars (US$1.03) after heavy trading. The stock started trade at HK$7.20, compared with the IPO price of HK$7.07. The listing was keenly watched as the company counts **Government of Singapore Investment** Corp., **Temasek Holdings** and **Ping An Insurance** among its investors.

In Seoul, shares of casino operator **Grand Korea Leisure** ended at 15,850 won ($13.74) compared with the IPO price of 12,000 won.

In Tokyo, Japanese investors remained concerned about a recent spate of capital raisings in a weak market, said Shinichiro Matsushita, market analyst at Daiwa Securities. **Mitsubishi UFJ Financial Group** fell 3.7% after the bank Wednesday said it planned to bolster its capital base by issuing one trillion yen ($11.2 billion) of new shares.

Exporters lost ground as the yen strengthened against the U.S. dollar. **Sony** Corp. fell 2.2%, and **Toyota Motor** gave up 1.7%.

In South Korea, **KB Financial** added 1.8% and **Shinhan Financial Group** increased 1.6% on hopes for improved earnings next year.

In Sydney, gold stocks rose after the metal hit a record Wednesday. **Newcrest Mining** added 1.6% and **Lihir Gold** rose 1.1%.

—V. Phani Kumar contributed to this article.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

GAM

GAM FUND MANAGEMENT LIMITED
George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Tel +3531 609 3927 Fax +3531 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	11/13	USD	1248.56	23.2	4.8	-9.0
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	11/16	JPY	14941.40	59.4	61.0	NS
GAM Asia Equity Hedge US	OT	OT	VGB	11/16	USD	282.18	61.7	64.5	-0.5
GAM Asia Equity USD	OT	OT	VGB	11/18	USD	639.48	59.3	85.4	-15.3
GAM Asia-Pacific Eq USD	OT	OT	VGB	11/17	USD	1254.50	16.8	16.8	-16.1
GAM Com Glb Bal EUR Op	US	BA	VGB	11/09	EUR	91.90	14.5	12.3	-10.8
GAM Com Glb Bal USD Op	US	BA	VGB	11/09	USD	127.03	14.5	12.3	-10.8
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	11/09	EUR	93.03	20.5	15.0	-18.4
GAM Comp Glb Eq USD Op	GL	EQ	VGB	11/09	USD	125.87	20.5	15.0	-18.4
GAM Comp Glb Gr EUR Op	US	BA	VGB	11/09	EUR	82.22	14.5	11.0	-15.3
GAM Comp Glb Gr USD Op	US	BA	VGB	11/09	USD	125.83	14.5	11.0	-15.3
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	11/13	USD	243.20	33.5	33.9	-13.1
GAM Cross Trading Inc	OT	OT	VGB	11/09	USD	466.94	6.7	8.7	NS
GAM Diversity CHF Op	OT	OT	VGB	11/09	CHF	94.23	4.1	1.0	-7.7
GAM Diversity EUR Op	OT	OT	VGB	11/09	EUR	647.61	4.9	2.1	-6.1
GAM Diversity USD 2.5XL	OT	OT	VGB	10/30	USD	76.73	6.4	-2.6	-22.6
GAM Diversity USD Op	OT	OT	VGB	11/09	USD	680.17	4.9	1.8	NS
GAM Dvrsty II CHF Op	OT	OT	VGB	11/09	CHF	99.51	4.0	0.7	NS
GAM Dvrsty II EUR Op	OT	OT	VGB	11/09	EUR	138.69	4.5	1.3	-6.2
GAM Dvrsty II USD Op	OT	OT	VGB	11/09	USD	210.15	4.6	1.3	-6.4
GAM DvrstyIII EUR Op	OT	OT	VGB	10/30	EUR	114.70	3.8	0.5	-6.8
GAM DvrstyIII USD Op	OT	OT	VGB	10/30	USD	121.09	3.8	0.4	-6.9
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	11/16	EUR	211.25	7.1	4.0	-6.3
GAM Euro Eq Hdg USD Op	OT	OT	VGB	11/16	USD	196.60	7.9	5.5	-4.7
GAM European Equity USD	OT	OT	VGB	11/18	USD	307.75	30.5	43.9	-12.6
GAM GAMCO	OT	EQ	VGB	11/17	USD	808.83	39.4	48.2	-12.2
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	10/30	EUR	97.64	13.2	7.3	-17.5
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	11/16	USD	105.57	16.6	12.4	-14.8
GAM Gbl Divers USD Inc.	GL	EQ	VGB	11/16	USD	253.75	24.3	25.4	-8.4
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	10/30	USD	261.34	83.0	103.9	5.6
GAM Intrst Trend II	GL	BD	VGB	11/16	USD	96.36	45.8	42.9	-12.1
GAM Intrst Trend Inc	OT	OT	VGB	11/16	USD	254.22	59.6	55.9	-8.1
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	11/16	EUR	112.44	5.3	-3.8	-8.0
GAM Japan Eq Hdg USD Op	OT	OT	VGB	11/16	USD	117.57	4.5	-3.1	NS
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	10/30	JPY	8507.22	10.3	7.0	-22.3
GAM Japan USD	JP	EQ	VGB	11/18	USD	1041.90	0.7	11.4	-18.0
GAM Japan YEN	JP	EQ	VGB	11/18	JPY	8189.74	2.2	7.0	-24.9
GAM Money Mkt EuroOp	EU	MM	VGB	11/18	EUR	51.20	0.1	0.3	1.9
GAM Money Mkt USD	US	MM	VGB	11/17	USD	100.01	0.0	0.0	1.1
GAM Multi-Arb EUR Op	OT	OT	VGB	11/09	EUR	113.28	1.1	-4.2	-9.1
GAM Multi-Arb USD Op	OT	OT	VGB	10/30	USD	118.02	1.1	-4.5	-9.4
GAM Multi-China EUR Op	OT	OT	VGB	10/30	EUR	159.17	7.2	8.0	-15.9
GAM Multi-China USD Op	OT	OT	VGB	10/30	USD	167.40	7.8	8.4	4.1
GAM Multi-Emer Mkts GBP	OT	OT	VGB	10/30	GBP	127.90	22.3	18.7	-4.8
GAM Multi-Emer Mkts USD	OT	OT	VGB	11/09	USD	638.45	23.2	19.5	-4.3
GAM Multi-Eur EUR Op	OT	OT	VGB	10/30	EUR	265.40	5.7	5.2	-12.9
GAM Multi-Eur II EUR Op	OT	OT	VGB	11/09	EUR	138.00	6.8	6.3	-12.0
GAM Multi-Eur II USD Op	OT	OT	VGB	11/09	USD	112.91	6.5	5.6	-13.0
GAM Multi-Eur USD Op	OT	OT	VGB	10/30	USD	462.12	5.5	4.6	-13.9
GAM Multi-Nth Am EUR Special	OT	OT	VGB	11/09	EUR	133.09	11.7	9.7	NS
GAM Multi-Nth Am USD Special	OT	OT	VGB	11/09	USD	216.84	12.1	10.7	NS
GAM Multi-Pac EUR Op	GL	EQ	VGB	10/30	EUR	140.15	2.8	2.6	-6.7
GAM Multi-Pac USD Op	OT	OT	VGB	11/09	USD	163.12	3.8	3.6	-6.4
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	11/13	USD	2501.05	60.7	55.1	7.7
GAM Sing/Malaysia	AS	EQ	VGB	11/18	USD	2456.28	47.9	53.2	-12.1
GAM Sterling Spe Bd Inc	OT	OT	VGB	11/16	GBP	240.02	38.9	34.4	1.3
GAM Trading EUR Inc	OT	OT	VGB	11/09	EUR	325.84	6.6	8.8	7.4
GAM Trading USD Inc	OT	OT	VGB	11/09	USD	975.18	6.8	8.7	6.9
GAM Trdg II IncEUR Op	OT	OT	VGB	11/09	EUR	139.39	6.5	8.7	7.3
GAM Trdg II IncUSD Op	OT	OT	VGB	11/09	USD	316.64	6.8	8.7	6.9
GAM Trdg IV IncEUR Op	OT	OT	VGB	11/09	EUR	147.11	6.3	8.5	7.1
GAM Trdg IV IncUSD Op	OT	OT	VGB	11/09	USD	154.86	6.5	8.5	6.8
GAM Trdg V IncEUR Op	OT	OT	VGB	10/30	EUR	124.10	5.8	7.8	6.7
GAM Trdg V IncUSD Op	OT	OT	VGB	10/30	USD	129.23	5.9	7.8	6.3
GAM TrdgIII IncEUR Op	OT	OT	VGB	11/09	EUR	157.29	6.4	8.6	7.1
GAM TrdgIII IncUSD Op	OT	OT	VGB	11/09	USD	162.87	6.5	8.5	6.8
GAM USDSpecBondInc	US	BD	VGB	11/16	USD	524.98	72.7	69.3	5.8
GAM Worldwide	GL	EQ	VGB	11/17	USD	2283.52	27.5	39.4	-9.6
GAMut Investments	OT	OT	VGB	11/11	USD	7640.60	5.2	9.9	7.6

GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	11/18	CHF	10.50	49.2	45.4	-19.2
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	11/18	EUR	11.13	49.6	48.3	-15.1
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	11/18	GBP	1.48	38.7	55.4	-5.4
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	11/18	USD	13.09	59.4	74.8	-14.3
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	11/18	EUR	95.14	13.9	10.2	-15.6
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	11/18	EUR	92.08	14.0	10.2	-15.6
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	11/18	EUR	10.72	21.9	21.8	-12.0
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	11/18	EUR	181.08	24.2	23.8	-13.7
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	11/18	EUR	165.46	24.1	23.8	-13.7
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	11/18	USD	16.52	32.1	45.7	-12.8
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	11/18	USD	14.98	32.0	45.7	-12.8
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	11/16	USD	5.89	25.1	18.9	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	11/18	EUR	81.38	1.8	0.3	-15.2
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	11/18	EUR	81.38	1.8	0.3	-15.2
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	11/18	JPY	853.94	3.4	5.5	-24.3
GAMStar-JpnEq USD Acc	JP	EQ	IRL	11/18	USD	10.50	1.3	8.9	-17.6
GAMStar-World EqUSD Acc	GL	EQ	IRL	11/18	USD	2258.14	28.4	40.6	-9.2

المجموعة المالية - هيرميس
EFG HERMES

HERMES FINANCIAL MANAGEMENT (EGYPT) LIMITED, AMSALES@EFG-HERMES.COM
*Tel: 9714 363 4041 *Middle East & Developing Africa Fund*

EFG-Hermes Egypt	GL	EQ	BMU	10/30	USD	43.54	25.9	29.9	-14.4
EFG-Hermes MEDA*	GL	EQ	BMU	09/30	USD	24.16	15.3	-17.3	-10.4
EFG-Hermes Saudi Arabia Equity	EA	EQ	SAU	10/27	SAR	6.27	32.3	11.2	NS
EFG-Hermes Telecom	OT	EQ	BMU	09/30	USD	29.73	16.0	-0.1	-8.2

LLOYD GEORGE MANAGEMENT (HK) LTD
Suite 3808, One Exchange Square, HK: Tel. 852 2845 4433 Fax. 852 2845 3911

LG Antenna	GL	EQ	BMU	11/13	USD	58.83	72.3	75.0	-12.7
LG Asian Plus	AS	EQ	CYM	11/06	USD	54.16	43.3	41.3	-24.1
LG AsianSmallerCo's	AS	EQ	BMU	11/18	USD	93.20	69.0	88.8	-24.2
LG India	EA	EQ	MUS	11/12	USD	62.22	95.0	90.0	-14.6

Manulife WEALTH MANAGEMENT 宏利財富管理

MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	11/19	USD	14.87	24.2	29.9	-13.5
American Growth AA	US	EQ	LUX	11/19	USD	0.86	23.9	30.6	NS
Asian Equity	AS	EQ	LUX	11/19	USD	2.42	62.6	82.3	-11.0
Asian Equity AA	AS	EQ	LUX	11/19	USD	0.78	62.1	81.7	NS
Asian Sm Cap Equity AA	AS	EQ	LUX	11/19	USD	1.12	86.1	109.2	-7.8
China Value A	AS	EQ	LUX	11/19	USD	7.09	65.4	87.3	-7.0
China Value AA	AS	EQ	LUX	11/19	USD	2.23	65.0	86.8	-7.3
Dragon Growth	AS	EQ	LUX	11/19	USD	1.64	68.3	88.7	-9.5
Dragon Growth AA	OT	OT	LUX	11/19	HKD	7.98	67.9	87.0	NS
Emg Eastrn Europe A	EU	EQ	LUX	11/19	USD	4.60	102.1	121.4	-15.5
Emg Eastrn Europe AA	EU	EQ	LUX	11/19	USD	1.98	101.8	121.0	-15.6
European Growth	EU	EQ	LUX	11/19	USD	9.23	46.6	68.2	-16.7
European Growth AA	EU	EQ	LUX	11/19	USD	0.66	46.3	67.8	NS
Global Contrarain AA	GL	EQ	LUX	11/19	USD	0.87	81.4	98.5	NS
Global Property AA	OT	EQ	LUX	11/19	USD	0.66	43.9	63.1	-17.0
Global Resources AA	OT	EQ	LUX	11/19	USD	1.10	58.8	102.8	-9.4
Healthcare AA	OT	EQ	LUX	11/19	USD	0.91	10.2	15.3	NS
India Equity AA	EA	EQ	LUX	11/19	USD	1.05	76.5	92.1	-17.6
International Growth	GL	EQ	LUX	11/19	USD	3.04	23.3	33.9	-15.0
International Growth AA	GL	EQ	LUX	11/19	USD	0.71	23.0	33.5	NS
Japanese Growth	JP	EQ	LUX	11/19	USD	2.61	2.2	13.7	-16.7
Japanese Growth AA	JP	EQ	LUX	11/19	USD	0.68	2.0	13.5	NS
Latin America Equity AA	GL	EQ	LUX	11/19	USD	1.26	104.0	112.5	-6.0
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	11/19	USD	1.11	NS	NS	NS
Russia Equity AA	EE	EQ	LUX	11/19	USD	0.66	148.9	163.1	NS
Taiwan Equity AA	AS	EQ	LUX	11/19	USD	1.03	78.0	99.7	-2.3
Turkey Equity AA	EE	EQ	LUX	11/19	USD	0.68	88.9	132.6	NS
U.S. Bond AA	US	BD	LUX	11/19	USD	1.11	17.9	22.2	7.7
U.S. High Yield Bond AA	US	BD	LUX	11/19	USD	0.74	64.6	60.0	-6.9
U.S. Sm Cap Equity AA	US	EQ	LUX	11/19	USD	0.79	65.2	67.3	-15.8
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	11/19	USD	1.16	9.3	14.0	4.3

PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	11/11	USD	119.46	107.1	112.7	-7.1

Sensible Asset Management
A Value Partners Group company

SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	11/17	USD	7.94	85.1	102.0	-7.5

SOCIETE GENERALE
Asset Management

SG ASSET MANAGEMENT HTTP://WWW.SGAM.COM
SGAM Fund

Bonds Eur Hi Yld A	EU	BD	LUX	11/17	EUR	20.24	52.2	43.9	-2.8
Bonds EURO A	EU	BD	LUX	11/18	EUR	41.34	4.7	8.1	5.4
Bonds EUROPE A	EU	BD	LUX	11/17	EUR	39.52	4.3	7.1	4.6
Bonds US OppsCoreplus A	US	BD	LUX	11/17	USD	37.24	18.1	21.9	9.2
Bonds World A	GL	BD	LUX	11/17	USD	43.72	9.8	19.1	8.1
Eq. China A	AS	EQ	LUX	11/18	USD	24.54	64.2	93.7	-14.8
Eq. ConcentratedEuropeA	EU	EQ	LUX	11/17	EUR	26.66	29.4	34.5	-18.6
Eq. Eastern Europe A	EU	EQ	LUX	11/17	EUR	23.10	74.8	67.4	-26.5
Eq. Euroland A	EU	EQ	LUX	11/18	EUR	10.61	15.8	20.0	-21.4
Eq. EurolandCyclclsA	EU	EQ	LUX	11/17	EUR	17.27	25.7	31.3	-16.8
Eq. EurolandFinancialA	OT	EQ	LUX	11/18	EUR	11.87	40.6	40.0	-20.0
Eq. Glbl Emg Cty A	GL	EQ	LUX	11/18	USD	9.74	63.0	82.9	-15.5
Eq. Global A	GL	EQ	LUX	11/18	USD	27.96	32.6	39.8	-14.4
Eq. Global Energy A	OT	EQ	LUX	11/17	USD	18.44	29.3	35.0	-11.9
Eq. Global Technol A	OT	OT	LUX	04/24	USD	4.46	22.1	-29.7	-21.6
Eq. Gold Mines A	OT	EQ	LUX	11/18	USD	32.45	55.3	150.6	3.9
Eq. Pacific A	AS	EQ	LUX	11/18	USD	10.35	62.2	81.4	-13.8
Eq. US Lg Cap Gr A	US	EQ	LUX	11/18	USD	15.01	39.7	42.5	-12.8
Eq. US Rel Val A	US	EQ	LUX	11/17	USD	20.49	31.9	40.5	-15.3
Eq. US Sm Cap Val A	US	EQ	LUX	11/18	USD	15.27	18.5	27.4	-22.0
Money Market EURO A	EU	MM	LUX	11/18	EUR	27.38	1.0	1.4	2.9
Money Market USD A	US	MM	LUX	11/17	USD	15.83	0.5	0.8	2.0

المستثمر الوطني
The National Investor

THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	11/12	USD	1059.47	12.7	NS	NS
TNI MENA Special Sits Fund	OT	OT	BMU	10/29	USD	1139.93	17.4	NS	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	11/12	AED	6.39	39.4	-4.9	-22.9

Value Partners
Investing through discipline

WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487
**formerly known as China ABH Shares Fund*

Intel-Chin MainInd Foc	AS	EQ	CYM	11/16	USD	29.76	85.5	NS	-0.4
Intel-China Converg*	AS	EQ	CYM	11/16	USD	114.18	87.4	NS	-1.9
VP Classic - A	AS	EQ	CYM	11/18	USD	185.70	82.2	99.9	-4.3
VP Classic - B	AS	EQ	CYM	11/18	USD	86.60	81.4	98.9	-4.8
VP High Dividend Stk	AS	EQ	CYM	11/16	USD	44.82	80.4	87.7	-2.4

YUKI
Yuki Management & Research
Tel +81-3-5299-3277 www.yukijapan.co

YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

YMR-N Series									
YMR-N Growth Fund	OT	OT	IRL	11/19	JPY	8473.00	1.0	1.5	-30.0
YMR-N Small Cap Fund	OT	OT	IRL	11/19	JPY	6502.00	2.1	8.5	-29.9
Yuki 77 Series									
Yuki 77 General	JP	EQ	IRL	11/19	JPY	5553.00	-5.9	-2.6	-30.8
Yuki 77 Growth	JP	EQ	IRL	11/19	JPY	5224.00	-11.7	-10.7	-36.0
Yuki Chugoku Series									
Yuki Chugoku Jpn Gen	JP	EQ	IRL	11/19	JPY	6182.00	-0.9	1.3	-27.8
Yuki Chugoku JpnLowP	JP	EQ	IRL	11/19	JPY	6930.00	-15.4	-11.0	-28.1
Yuki Hokuyo Japan Series									
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	11/19	JPY	4180.00	-8.1	-6.7	-31.2
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	11/19	JPY	4848.00	-8.2	-7.7	-24.0
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	11/19	JPY	4741.00	0.8	6.7	-27.5
Yuki Mizuho Series									
Yuki Mizuho Gen Jpn III	OT	OT	IRL	11/19	JPY	3955.00	-6.9	-6.9	-34.3
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	11/19	JPY	4204.00	-6.4	-7.3	-34.6
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	11/19	JPY	6238.00	2.2	3.8	-29.0
Yuki Mizuho Jpn Gen	OT	OT	IRL	11/19	JPY	7731.00	-3.6	-0.8	-29.9
Yuki Mizuho Jpn Gro	OT	OT	IRL	11/19	JPY	5808.00	-7.1	-4.2	-32.4
Yuki Mizuho Jpn Inc	OT	OT	IRL	11/19	JPY	6988.00	-12.1	-9.7	-27.0
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	11/19	JPY	4715.00	-5.4	-3.6	-29.5
Yuki Mizuho Jpn LowP	OT	OT	IRL	11/19	JPY	10537.00	-7.0	-2.0	-24.7
Yuki Mizuho Jpn PGth	OT	OT	IRL	11/19	JPY	7254.00	-5.1	-4.1	-34.0
Yuki Mizuho Jpn SmCp	OT	OT	IRL	11/19	JPY	6554.00	6.9	11.7	-29.7
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	11/19	JPY	5179.00	-0.3	4.8	-25.9
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	11/19	JPY	2588.00	8.4	7.9	-34.6
Yuki Shizuoka Japan Series									
Yuki Shizuoka General Japan	JP	EQ	IRL	11/19	JPY	4871.00	-4.5	-1.8	-30.9

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com or Peter Jennings, tel: +44-20-7842-9674; email: peter.jennings@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Brazil	-2.07%	**99.8%**	140.3%
Russia	-1.81	**98.5**	123.9
China 88	0.11	**87.8**	75.2
Turkey	-0.94	**66.4**	109.3
Singapore	0.42	**58.7**	73.5
Hong Kong	-0.95	**53.6**	85.0
Sweden	-1.32	**49.1**	68.6
South Korea	1.22	**48.3**	76.9
Netherlands	-1.43	**34.4**	43.2
Canada	-1.09	**27.7**	50.3
Australia	0.38	**27.5**	40.5
Switzerland	-1.48	**21.4**	34.0
Italy	-1.76	**20.5**	21.7
South Africa	-0.80	**18.9**	45.1
U.K.	-1.10	**18.5**	35.8
France	-1.74	**17.4**	28.3
Spain	-1.51	**16.5**	32.8
Germany	-1.24	**13.5**	28.9
Japan	-1.83	**-1.5%**	8.7

Dow Jones Regional Sector Titans

Basic Res	-2.65%	**77.1%**	137.9%
Tiger 50*	-0.54	**58.4**	91.4
Technology	-1.70	**49.3**	73.1
Nordic 30 -p	0.47	**40.0**	43.1
EU Enlarged†-p	-0.53	**39.6**	40.1
Asian 50	-1.21	**28.7**	53.2
Stoxx 50 -p	-0.37	**21.3**	24.4
Global 50	-0.41	**21.2**	40.0
Euro Stoxx 50 -p	0.06	**18.8**	26.7
Arab 50	0.15	**5.0**	4.7

*Asia excluding Japan †15 companies from the new EU countries; Cyprus, CzechRepublic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Dow Jones Indexes

Dow Jones Asia Titans: Thursday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
KB Fncl Group	South Korea	Banks	$20.7	62,400	**1.79%**	161.4%	-12.6%
China Mobile (HK)	Hong Kong	Mobile Telecommunications	198.7	77.45	**1.71**	18.2	13.9
Shinhan Financial Grp	South Korea	Banks	20.0	48,850	**1.56**	91.5	11.1
Commonwealth Bk of Australia	Australia	Banks	73.7	53.08	**1.49**	81.1	10.3
Westfield Grp	Australia	Retail REITs	26.4	12.69	**1.28**	-7.2	-35.0
Mizuho Financial Grp	Japan	Banks	$24.6	155.00	**-6.63%**	-22.2	-81.1
Sumitomo Mitsui Finl	Japan	Banks	30.9	2,720	**-4.56**	-3.4	-77.1
Mitsubishi UFJ Finl Grp	Japan	Banks	60.7	466.00	**-3.72**	-2.9	-67.2
Honda Motor	Japan	Automobiles	56.4	2,740	**-3.52**	43.8	-33.3
Canon	Japan	Electronic Office Equipment	46.6	3,350	**-3.18**	28.4	-45.0

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Samsung Elec South Korea (Semiconductors)	96.6	759,000	**1.20%**	79.4%	16.1%
Woodside Petroleum Australia (Exploration Production)	32.5	50.10	**1.17**	63.5	37.3
National Australia Bk Australia (Banks)	54.5	28.92	**1.08**	53.7	-25.6
BHP Billiton Australia (General Mining)	125.3	40.85	**0.62**	93.6	55.0
Cheung Kong (Hldgs) Hong Kong (Real Estate Holding Development)	29.1	97.45	**0.62**	49.2	2.3
Aus NZ Bk Australia (Banks)	51.0	22.25	**0.41**	71.2	-21.2
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	38.8	117.20	**0.34**	131.2	28.0
Kansai Elec Power Japan (Conventional Electricity)	21.9	2,035	**0.25**	-20.2	-28.1
Westpac Bking Australia (Banks)	65.7	24.68	**0.08**	58.2	0.8
RioZim Ltd Australia (General Mining)	40.3	72.60	**...**	60.7	23.6
POSCO South Korea (Iron Steel)	37.1	566,000	**...**	102.1	99.0
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	50.3	62.90	**...**	71.8	0.6
PetroChina Hong Kong (Integrated Oil Gas)	27.4	10.08	**-0.40**	86.3	5.4
Woolworths Australia (Food Retailers Wholesalers)	31.8	28.30	**-0.42**	14.9	29.4
Hutchison Whampoa Hong Kong (Diversified Industrials)	29.8	54.25	**-0.55**	55.0	-26.6
Mitsui Japan (Industrial Suppliers)	23.4	1,145	**-0.61**	63.3	-24.8
Seven I Hldgs Japan (Broadline Retailers)	19.9	1,959	**-0.61**	-26.4	-44.0
Nissan Motor Japan (Automobiles)	32.6	639.00	**-0.62**	95.4	-55.0
NTT DoCoMo Japan (Mobile Telecommunications)	62.3	129,700	**-0.77**	-15.2	-27.5
Takeda Pharm Japan (Pharmaceuticals)	31.6	3,550	**-0.84**	-20.8	-52.5

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Tokio Marine Japan (Property Casualty Insurance)	21.2	2,390	**-1.04%**	7.7%	-38.7%
Hon Hai Precision Ind Taiwan (Electrical Components Equipment)	36.0	136.50	**-1.09**	190.7	-9.6
Tokyo Elec Power Japan (Conventional Electricity)	33.5	2,200	**-1.12**	-26.7	-36.6
China Life Ins Hong Kong (Life Insurance)	37.0	38.55	**-1.28**	102.9	102.7
CNOOC Hong Kong (Exploration Production)	72.4	12.56	**-1.41**	142.0	83.1
Shin-Etsu Chml Japan (Specialty Chemicals)	22.4	4,680	**-1.47**	19.7	-36.7
KDDI Japan (Mobile Telecommunications)	23.0	461,000	**-1.50**	-18.0	-39.6
Nintendo Japan (Toys)	32.0	22,200	**-1.55**	-17.8	-15.2
Toyota Motor Japan (Automobiles)	123.9	3,490	**-1.69**	18.5	-50.2
Mitsubishi Japan (Industrial Suppliers)	35.2	1,905	**-1.80**	95.4	-5.9
QBE Ins Grp Australia (Reinsurance)	20.7	22.55	**-2.00**	-1.1	-11.4
Sony Japan (Consumer Electronics)	27.7	2,470	**-2.18**	35.3	-47.3
Japan Tobacco Japan (Tobacco)	26.8	248,100	**-2.21**	-17.9	-51.8
Indl Comm Bk China Hong Kong (Banks)	73.4	6.85	**-2.42**	108.8	66.7
China Constr Bk Hong Kong (Banks)	207.6	7.16	**-2.45**	99.4	66.9
Nippon T&T Japan (Fixed Line Telecommunications)	54.6	3,660	**-2.66**	-11.6	-35.5
Panasonic Japan (Consumer Electronics)	26.7	1,143	**-2.81**	-15.3	-49.8
JFE Hldgs Japan (Iron Steel)	17.2	2,885	**-2.86**	48.0	-41.2
Nippon Steel Japan (Iron Steel)	22.4	316.00	**-3.07**	23.0	-35.1
East Japan Railway Japan (Travel Tourism)	26.2	5,820	**-3.16**	-22.0	-26.9

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	0.19%	0.23%	1.7%	7.2%	6.9%
Event Driven	0.38	0.38	4.5	13.7	4.4
Equity Long/Short	0.03	-1.20	1.0	3.3	-4.0

*Estimates as of 11/17/09, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.82	100.83%	0.01%	1.00	0.78	0.86
Eur. High Volatility: 12/1	1.35	98.36	0.01	1.76	1.34	1.46
Europe Crossover: 12/1	5.13	99.45	0.05	6.15	4.87	5.35
Asia ex-Japan IG: 12/1	1.04	99.82	0.01	1.26	0.96	1.10
Japan: 12/1	1.36	98.23	0.01	1.53	0.99	1.28

Note: Data as of November 18

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Victor Co of Japan	"1,806"	**-28**	–32	50
Nomura Secs	143	**-3**	2	11
Nishimatsu Constr	486	**-2**	–16	–39
Indl Bk Korea	100	**-2**	–4	–5
Aioi Ins	118	**-2**	2	15
Kawasaki Kisen Kaisha	161	**-2**	–1	28
Fuji Heavy Inds	130	**-2**	1	16
Nippon Oil	40	**-1**	–2	...
Telekom Malaysia	89	**-1**	–6	5
Toshiba	184	**-1**	9	19

And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Orix	342	**5**	6	–100
Keisei Elec Rwy	50	**6**	5	4
IHI	273	**6**	53	53
Taisei	347	**7**	57	82
Mitsubishi Heavy Inds	88	**8**	11	13
Sekisui House	68	**11**	11	13
Acom	375	**15**	14	–207
Promise	805	**24**	5	–395
Kajima	276	**31**	77	96
Sanyo Shinpan Fin	805	**40**	–10	–372

Source: Markit Group

Behind Asia's deals: Bank revenue rankings, Asia

Behind every IPO, bond offering, merger deal or syndicated loan is one or more investment banks. Here are investment banks ranked by year-to-date revenues from recent deals.

	Revenue, in millions	Market share	PERCENTAGE OF TOTAL REVENUE Equity capital markets	Debt capital markets	Mergers & acquisitions	Loans
Nomura	$959	12.8%	67%	19%	14%	...
Daiwa Securities SMBC Co Ltd	521	6.9	65	27	8	...
Mizuho	454	6.0	33	45	11	11%
JPMorgan	337	4.5	77	9	14	1
Morgan Stanley	335	4.5	66	16	17	...
UBS	334	4.5	63	14	24	...
Goldman Sachs	330	4.4	73	11	16	...
Citi	314	4.2	52	30	16	2
Mitsubishi UFJ Securities	305	4.1	23	52	12	13

Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

	Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
	Corn (cents/bu.)	CBOT	**406.75**	-7.00	**-1.69%**	712.25	315.50
	Soybeans (cents/bu.)	CBOT	**1028.00**	1.00	**0.10%**	1,315.00	794.00
	Wheat (cents/bu.)	CBOT	**573.00**	-15.00	**-2.55**	1,029.25	459.00
	Live cattle (cents/lb.)	CME	**84.975**	-0.675	**-0.79**	108.600	84.150
	Cocoa ($/ton)	ICE-US	**3,202**	-56	**-1.72**	3,439	1,994
	Coffee (cents/lb.)	ICE-US	**135.80**	-4.75	**-3.38**	188.65	115.00
	Sugar (cents/lb.)	ICE-US	**22.62**	-0.68	**-2.92**	26.25	11.91
	Cotton (cents/lb.)	ICE-US	**72.25**	-0.30	**-0.41**	84.00	49.67
	Crude palm oil (ringgit/ton)	MDEX	**2,353.00**	-33	**-1.38**	4,200	1,487
	Cocoa (pounds/ton)	LIFFE	**2,127**	-14	**-0.65**	2,250	1,475
	Robusta coffee ($/ton)	LIFFE	**1,323**	-31	**-2.29**	1,955	1,295
	Copper (cents/lb.)	COMEX	**311.80**	-1.75	**-0.56**	365.00	135.50
	Gold ($/troy oz.)	COMEX	**1138.00**	-2.70	**-0.24**	1,153.40	494.00
	Silver (cents/troy oz.)	COMEX	**1831.00**	-10.50	**-0.57**	2,200.00	740.00
	Aluminum ($/ton)	LME	**2,037.00**	-32.00	**-1.55**	2,069.00	1,288.00
	Tin ($/ton)	LME	**15,045.00**	-155.00	**-1.02**	15,700.00	9,750.00
	Copper ($/ton)	LME	**6,790.00**	-160.00	**-2.30**	6,950.00	2,815.00
	Lead ($/ton)	LME	**2,350.00**	-79.00	**-3.25**	2,459.50	870.00
	Zinc ($/ton)	LME	**2,230.50**	-45.00	**-1.98**	2,344.00	1,065.00
	Nickel ($/ton)	LME	**17,015**	-330	**-1.90**	21,150	9,175
	Crude oil ($/bbl.)	NYMEX	**77.16**	-2.42	**-3.04**	139.00	47.31
	Heating oil ($/gal.)	NYMEX	**2.0302**	-0.0550	**-2.64**	4.1847	1.3640
	RBOB gasoline ($/gal.)	NYMEX	**1.9885**	-0.0510	**-2.50**	2.7100	1.1525
	Natural gas ($/mmBtu)	NYMEX	**4.620**	-0.039	**-0.84**	12.920	4.560
	Brent crude ($/bbl.)	ICE-EU	**77.40**	-2.07	**-2.60**	108.19	48.19
	Gas oil ($/ton)	ICE-EU	**628.75**	-25.00	**-3.82**	790.00	443.50

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**. Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Currencies

London close on Nov. 19

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.6550	0.1768	3.8055	0.2628
Brazil real	2.5839	0.3870	1.7388	0.5751
Canada dollar	1.5868	0.6302	1.0679	0.9365
1-mo. forward	1.5868	0.6302	1.0678	0.9365
3-mos. forward	1.5868	0.6302	1.0679	0.9365
6-mos. forward	1.5871	0.6301	1.0680	0.9363
Chile peso	745.97	0.001341	502.00	0.001992
Colombia peso	2917.54	0.0003428	1963.35	0.0005093
Ecuador US dollar-f	1.4860	0.6729	1	1
Mexico peso-a	19.4468	0.0514	13.0867	0.0764
Peru sol	4.2708	0.2342	2.8740	0.3479
Uruguay peso-e	30.240	0.0331	20.350	0.0491
U.S. dollar	1.4860	0.6729	1	1
Venezuela bolivar	3.19	0.313392	2.15	0.465701
ASIA-PACIFIC				
Australia dollar	1.6257	0.6151	1.0940	0.9141
China yuan	10.1471	0.0986	6.8285	0.1464
Hong Kong dollar	11.5164	0.0868	7.7500	0.1290
India rupee	69.4705	0.0144	46.7500	0.0214
Indonesia rupiah	14176	0.0000705	9540	0.0001048
Japan yen	131.96	0.007578	88.80	0.011261
1-mo. forward	131.94	0.007579	88.79	0.011263
3-mos. forward	131.90	0.007582	88.76	0.011266
6-mos. forward	131.83	0.007585	88.72	0.011272
Malaysia ringgit-c	5.0390	0.1985	3.3910	0.2949
New Zealand dollar	2.0429	0.4895	1.3748	0.7274
Pakistan rupee	124.081	0.0081	83.500	0.0120
Philippines peso	69.508	0.0144	46.775	0.0214
Singapore dollar	2.0663	0.4840	1.3905	0.7192
South Korea won	1725.99	0.0005794	1161.50	0.0008610
Taiwan dollar	48.132	0.02078	32.390	0.03087
Thailand baht	49.343	0.02027	33.205	0.03012

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.6729	1.4860
1-mo. forward	1.0002	0.9998	0.6731	1.4858
3-mos. forward	1.0006	0.9994	0.6734	1.4851
6-mos. forward	1.0013	0.9987	0.6738	1.4840
Czech Rep. koruna-b	25.730	0.0389	17.315	0.0578
Denmark krone	7.4410	0.1344	5.0074	0.1997
Hungary forint	268.30	0.003727	180.56	0.005538
Norway krone	8.4062	0.1190	5.6569	0.1768
Poland zloty	4.1388	0.2416	2.7852	0.3590
Russia ruble-d	42.876	0.02332	28.853	0.03466
Sweden krona	10.2939	0.0971	6.9273	0.1444
Switzerland franc	1.5131	0.6609	1.0183	0.9821
1-mo. forward	1.5128	0.6610	1.0181	0.9823
3-mos. forward	1.5123	0.6612	1.0177	0.9826
6-mos. forward	1.5114	0.6616	1.0171	0.9832
Turkey lira	2.2181	0.4508	1.4927	0.6699
U.K. pound	0.8941	1.1185	0.6017	1.6620
1-mo. forward	0.8943	1.1182	0.6018	1.6617
3-mos. forward	0.8946	1.1178	0.6020	1.6611
6-mos. forward	0.8951	1.1172	0.6024	1.6601
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5602	1.7850	0.3770	2.6526
Egypt pound-a	8.1102	0.1233	5.4578	0.1832
Israel shekel	5.6490	0.1770	3.8015	0.2631
Jordan dinar	1.0528	0.9498	0.7085	1.4114
Kuwait dinar	0.4242	2.3574	0.2855	3.5031
Lebanon pound	2231.23	0.0004482	1501.50	0.0006660
Saudi Arabia riyal	5.5728	0.1794	3.7502	0.2667
South Africa rand	11.2327	0.0890	7.5590	0.1323
United Arab dirham	5.4582	0.1832	3.6731	0.2722
SDR -f	0.9298	1.0755	0.6257	1.5982

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	Net change	Percentage change	PERFORMANCE Yr.-to-date	52-wk.
45	**ASIA-PACIFIC**	**DJ Asia-Pacific**	119.93	-1.11	**-0.92%**	28.1%	51.4%
...	Australia	**SPX/ASX 200**	4749.2	10.2	**0.22%**	27.6	41.6
...	China	**CBN 600**	29523.91	163.37	**0.56**	100.0	90.8
21	Hong Kong	**Hang Seng**	22643.16	-197.17	**-0.86**	57.4	84.1
19	India	**Sensex**	16785.65	-213.13	**-1.25**	74.0	98.6
...	Indonesia	**Jakarta Composite**	2468.788	-15.441	**-0.62**	82.1	113.8
...	Japan	**Nikkei Stock Average**	9549.47	-127.33	**-1.32**	7.8	24.0
...		**Topix**	837.71	-12.35	**-1.45**	-2.5	7.1
...	Malaysia	**Kuala Lumpur Composite**	1276.65	1.55	**0.12**	45.6	47.5
...	New Zealand	**NZSX-50**	3141.176	12.774	**0.41**	15.7	18.8
8	Pakistan	**KSE 100**	9251.19	106.43	**1.16**	57.7	0.7
16	Philippines	**Manila Composite**	3083.30	30.69	**1.01**	64.6	67.4
...	Singapore	**Straits Times**	2758.79	13.75	**0.50**	56.6	70.9
11	South Korea	**Kospi**	1620.54	16.57	**1.03**	44.1	70.8
21	Taiwan	**Weighted**	7759.98	-6.71	**-0.09**	69.0	89.7
10	Thailand	**SET**	700.42	-6.84	**-0.97**	55.7	77.8
50	**EUROPE**	**DJ Stoxx 600**	245.58	-4.07	**-1.63**	24.7	31.5
22		**DJ Stoxx 50**	2489.05	-38.44	**-1.52**	20.5	27.3
40	**Euro Zone**	**DJ Euro Stoxx**	266.93	-4.44	**-1.64%**	19.8%	31.0%
18		**DJ Euro Stoxx 50**	2863.33	-45.20	**-1.55**	16.8	28.6
19	Denmark	**OMX Copenhagen**	312.95	-4.20	**-1.32**	38.4	43.0
19	Finland	**OMX Helsinki**	6278.16	-126.35	**-1.97**	16.2	20.2
19	France	**CAC-40**	3760.22	-67.94	**-1.77**	16.9	26.2
22	Germany	**DAX**	5702.18	-85.43	**-1.48**	18.5	35.1
17	Italy	**FTSE MIB**	22823.22	-511.52	**-2.19**	17.3	19.3
...	Netherlands	**AEX**	313.31	-6.11	**-1.91**	27.4	37.5
...	Russia	**RTSI**	1451.20	-35.42	**-2.38**	129.7	158.6
11	Spain	**IBEX 35**	11846.2	-188.2	**-1.56**	28.8	48.3
14	Switzerland	**SMI**	6286.81	-82.16	**-1.29**	13.6	18.5
...	Turkey	**ISE National 100**	46114.59	-305.28	**-0.66**	71.7	117.2
14	U.K.	**FTSE 100**	5267.70	-74.43	**-1.39**	18.8	35.9
1	**AMERICAS**	**DJ Americas**	288.35	-5.34	**-1.82**	27.5	46.1
...	Brazil	**Bovespa**	65702.87	-812.79	**-1.22**	75.0	96.7
...	Argentina	**Merval**	2211.82	-53.74	**-2.37**	104.9	152.6
20	Mexico	**IPC**	30713.83	-342.79	**-1.10**	37.2	65.6

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Reuters Group PLC is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones and Dow Jones Stoxx Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
2.21%	2	**DJ Global Index**	222.79	-3.90	**-3.90%**	55.1%	-1.7%	-6.0%
1.94	20	**Global DOW**	1962.70	-13.92	**-13.92**	55.2	-0.7	-1.4
2.52	97	**Asia/Pacific 600**	111.69	-1.04	**-1.04**	37.3	-0.9	-6.8
1.78	0	**Emerging Markets**	273.30	-4.09	**-4.09**	112.2	-1.5	5.2
2.26	45	**Asia/Pacific**	119.93	-1.12	**-1.12**	51.4	-0.9	-4.5
2.49	18	**Asia/Pacific ex-Japan**	309.20	-2.98	**-2.98**	105.1	-1.0	2.2
2.71	25	**Southeast Asia**	153.71	-1.17	**-1.17**	94.2	-0.8	3.6
0.81	35	**CBN China 600** -c	29523.91	163.37	**163.37**	90.8	0.6	34.0
0.84	37	**Shanghai**	394.10	2.35	**2.35**	90.0	0.6	33.6
0.57	57	**Shenzhen**	418.51	4.15	**4.15**	117.5	1.0	39.7
2.10	21	**China Offshore 50**	4252.79	-56.60	**-56.60**	102.1	-1.3	14.1
8.83	10	**Australia LPT** -c, d	1168.07	6.46	**6.46**	2.9	0.6	-19.1

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	Year-to-date	52-wk.	Three-yr., annualized
2.16%	3	**Islamic Market**	1920.63	-32.59	**-32.59%**	54.7%	-1.7%	-1.8%
2.47	16	**Islamic Market 100**	2076.80	-31.39	**-31.39**	38.6	-1.5	-2.7
9.78	20	**Bahrain**	120.23	-0.05	**-0.05**	-30.7	-0.0	-13.3
2.94	30	**Kuwait**	189.81	-2.94	**-2.94**	-24.6	-1.6	-17.7
2.62	19	**Sustainability**	1005.85	-18.83	**-18.83**	54.6	-1.8	-6.5
2.81	50	**Stoxx 600 -p**	279.09	1.60	**1.60**	52.4	0.6	-6.7
4.95	13	**Stoxx Select Div 30 -p**	1885.78	20.74	**20.74**	53.4	1.1	-18.0
4.20	16	**Euro Stoxx Sel Div 30 -p**	2219.17	31.62	**31.62**	65.5	1.5	-13.8
1.77	30	**DJ U.S. TSM**	11183.72	-190.75	**-190.75**	49.7	-1.7	-7.4
4.06	15	**U.S. Select Dividend -d**	624.29	-10.30	**-10.30**	26.0	-1.6	-10.8
4.63		**U.S. REIT**	137.38	-2.74	**-2.74**	70.5	-2.0	-18.9
		DJ-UBS Commodity -p	136.11	-0.30	**-0.30**	11.8	-0.2	-6.5

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

U.S.	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
		1.094	0.602	1.068	6.828	0.673	7.750	46.750	9540.16	88.800	1.375	1161.49	3.391	46.775	1.390	1.018	32.390	33.205
Australia	0.914		0.550	0.976	6.242	0.615	7.084	42.732	8720.19	81.168	1.257	1061.66	3.100	42.755	1.271	0.931	29.606	30.351
Britain	1.662	1.818		1.775	11.349	1.118	12.881	77.701	15856.23	147.590	2.285	1930.46	5.636	77.742	2.311	1.692	53.834	55.188
Canada	0.936	1.025	0.563		6.395	0.630	7.258	43.780	8933.99	83.158	1.287	1087.69	3.176	43.803	1.302	0.954	30.332	31.095
China	0.1464	0.160	0.088	0.156		0.099	1.135	6.846	1397.12	13.004	0.201	170.10	0.497	6.850	0.204	0.149	4.743	4.863
Euro	1.486	1.626	0.894	1.587	10.147		11.516	69.470	14176.68	131.957	2.043	1725.98	5.039	69.508	2.066	1.513	48.132	49.343
Hong Kong	0.129	0.141	0.078	0.138	0.881	0.087		6.032	1231.00	11.458	0.177	149.87	0.438	6.036	0.179	0.131	4.179	4.285
India	0.0214	0.0234	0.0129	0.0228	0.1461	0.0144	0.1658		204.07	1.8995	0.0294	24.84	0.0725	1.0005	0.0297	0.0218	0.6928	0.7103
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0049		0.0093	0.0001	0.12	0.0004	0.0049	0.0001	0.0001	0.0034	0.0035
Japan	0.011	0.012	0.007	0.012	0.077	0.008	0.087	0.526	107.43		0.015	13.08	0.038	0.527	0.016	0.011	0.365	0.374
New Zealand	0.727	0.796	0.438	0.777	4.967	0.490	5.637	34.006	6939.52	64.593		844.87	2.467	34.024	1.011	0.741	23.560	24.153
South Korea	0.0009	0.0009	0.0005	0.0009	0.0059	0.0006	0.0067	0.0402	8.21	0.0765	0.0012		0.0029	0.0403	0.0012	0.0009	0.0279	0.0286
Malaysia	0.295	0.323	0.177	0.315	2.014	0.198	2.285	13.786	2813.38	26.187	0.405	342.52		13.794	0.410	0.300	9.552	9.792
Philippines	0.021	0.023	0.013	0.023	0.146	0.014	0.166	0.999	203.96	1.898	0.029	24.83	0.072		0.030	0.022	0.692	0.710
Singapore	0.719	0.787	0.433	0.768	4.911	0.484	5.573	33.621	6860.96	63.862	0.989	835.31	2.439	33.639		0.732	23.294	23.880
Switzerland	0.982	1.074	0.591	1.049	6.706	0.661	7.611	45.912	9369.18	87.208	1.350	1140.68	3.330	45.937	1.366		31.809	32.610
Taiwan	0.031	0.034	0.019	0.033	0.211	0.021	0.239	1.443	294.54	2.742	0.042	35.86	0.105	1.444	0.043	0.031		1.025
Thailand	0.030	0.033	0.018	0.032	0.206	0.020	0.233	1.408	287.31	2.674	0.041	34.98	0.102	1.409	0.042	0.031	0.975	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of November. 19, 2009

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.50%	23	**ALL COUNTRY (AC) WORLD***	299.82	0.17%	**31.7%**	27.0%
2.60	24	**World (Developed Markets)**	1,171.54	0.17	**27.3**	22.4
1.90	1638	**World Small Cap**	187.97	-0.04	**40.0**	35.4
2.70	20	**Kokusai (World ex-Japan)**	1,166.47	0.25	**30.7**	24.0
3.10	25	**EAFE**	1,599.24	0.30	**29.2**	29.1
2.30	19	**Emerging Markets (EM)**	981.79	0.14	**73.1**	72.1
2.70	24	**AC ASIA PACIFIC EX-JAPAN**	413.66	0.31	**67.2**	69.8
2.20	25	**AC Far East ex-Japan**	444.98	0.14	**63.2**	69.4
1.30	40	**Japan**	529.54	-0.81	**-0.1**	-1.7
2.10	20	**China**	67.00	-0.22	**64.3**	89.3
0.90	37	**China A (China Domestic)**	3,436.34	0.04	**98.1**	119.4
2.60	23	**Hong Kong**	10,163.40	-0.60	**55.1**	58.8
1.00	19	**India**	687.84	-0.06	**86.3**	79.7
0.90	24	**Korea**	457.64	1.33	**49.1**	44.7
2.60	21	**Malaysia**	472.39	-0.37	**47.1**	49.2
3.30	16	**Singapore**	1,535.68	-0.89	**54.1**	53.9
2.70	377	**Taiwan**	282.01	0.20	**62.7**	51.6
3.10	19	**Thailand**	289.55	0.14	**56.4**	69.3
4.10	22	**Australia**	974.40	0.22	**27.3**	17.5
5.10	17	**New Zealand**	86.70	0.54	**14.2**	10.5
1.90	32	**US BROAD MARKET**	1,223.98	-0.12	**24.6**	16.2
3.50	17	**EUROPE**	86.82	-0.29	**25.0**	11.3

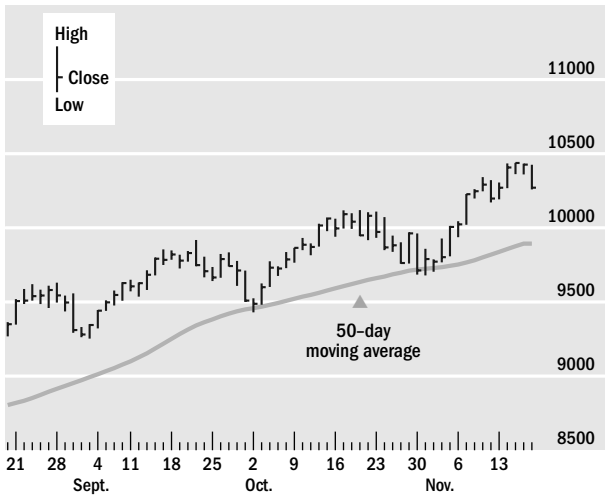
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 18

LAST: **10270.70** ▼ 155.61, or 1.49%
YEAR TO DATE: ▲ **1,494.31, or 17.0%**
OVER 52 WEEKS ▲ **2,718.41, or 36.0%**



Nasdaq Composite Index P/E: 44*

LAST: **2145.67** ▼ 47.47, or 2.16%
YEAR TO DATE: ▲ **568.64, or 36.1%**
OVER 52 WEEKS ▲ **829.55, or 63.0%**

S&P 500 Index P/E: 71

LAST: **1090.05** ▼ 19.75, or 1.78%
YEAR TO DATE: ▲ **186.80, or 20.7%**
OVER 52 WEEKS ▲ **337.61, or 44.9%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**9.40**	$26.00	-0.31	**-1.18%**
Alcoa	AA	**18.40**	13.14	-0.63	**-4.54**
AmExpress	AXP	**5.10**	40.89	-0.68	**-1.64**
BankAm	BAC	**90.70**	16.19	-0.16	**-0.98**
Boeing	BA	**1.40**	51.05	-0.97	**-1.86**
Caterpillar	CAT	**4.10**	57.97	-1.44	**-2.42**
Chevron	CVX	**4.10**	77.29	-1.63	**-2.07**
CiscoSys	CSCO	**15.70**	23.58	-0.42	**-1.75**
CocaCola	KO	**4.00**	56.77	0.19	**0.34**
Disney	DIS	**4.00**	30.00	-0.67	**-2.18**
DuPont	DD	**2.10**	34.45	-0.80	**-2.27**
ExxonMobil	XOM	**8.30**	74.65	-0.62	**-0.82**
GenElec	GE	**37.20**	15.64	-0.45	**-2.80**
HewlettPk	HPQ	**7.20**	49.52	-0.96	**-1.90**
HomeDpt	HD	**5.60**	26.97	-0.32	**-1.18**
Intel	INTC	**60.50**	19.08	-1.04	**-5.16**
IBM	IBM	**2.10**	126.67	-1.48	**-1.15**
JPMorgChas	JPM	**11.40**	42.71	-0.67	**-1.54**
JohnsJohns	JNJ	**5.30**	61.85	-0.47	**-0.75**
KftFoods	KFT	**3.60**	27.08	-0.18	**-0.66**
McDonalds	MCD	**2.40**	63.27	-0.71	**-1.11**
Merck	MRK	**10.90**	35.51	0.37	**1.06**
Microsoft	MSFT	**25.60**	29.75	-0.36	**-1.20**
Pfizer	PFE	**18.50**	18.08	-0.12	**-0.63**
ProctGamb	PG	**4.70**	61.98	-0.43	**-0.69**
3M	MMM	**1.20**	76.68	-1.12	**-1.44**
TravelersCos	TRV	**1.40**	52.39	-0.76	**-1.43**
UnitedTech	UTX	**1.80**	67.65	-1.16	**-1.69**
Verizon	VZ	**4.10**	30.39	-0.27	**-0.88**
WalMart	WMT	**7.60**	54.12	-0.03	**-0.06**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**154.3**	$4.24	–$0.05	**–1.17%**
SPDR S&P 500	SPY	**102.6**	109.52	–1.75	**–1.57**
BankAm	BAC	**91.8**	16.18	–0.17	**–1.04**
iShrMSCIEmrgMkt	EEM	**68.5**	40.62	–0.97	**–2.33**
PwrShrs QQQ	QQQQ	**66.0**	43.53	–0.82	**–1.86**
E Trade	ETFC	**66.0**	1.69	0.00	**0.00**
Intel	INTC	**61.4**	19.08	–1.04	**–5.17**
FordMotor	F	**50.5**	8.71	–0.23	**–2.57**
iShrRu2000	IWM	**49.4**	58.58	–1.58	**–2.63**
DrxFinancBear 3x	FAZ	**47.6**	19.62	0.93	**4.98**
SprintNextel	S	**43.7**	3.84	–0.11	**–2.78**
AdvMicro	AMD	**40.4**	7.00	–0.33	**–4.44**
SPDR FnclSelSct	XLF	**37.6**	14.70	–0.28	**–1.87**
GenElec	GE	**37.3**	15.64	–0.46	**–2.83**
Microsoft	MSFT	**25.8**	29.77	–0.34	**–1.13**

Biggest gainers...

NewYorkCo	NWY	**597.8**	$4.45	$0.70	**18.67%**
Netlist	NLST	**7,179.5**	5.55	0.72	**14.90**
IRIDEX	IRIX	**31.3**	3.11	0.38	**13.92**
OceanPwrTech	OPTT	**774.9**	10.91	1.27	**13.17**
AmericanLorain	ALN	**117.7**	2.86	0.32	**12.60**

...Biggest losers

Micrvisn	MVIS	**5,090.0**	$3.28	-$0.83	**-20.19%**
NewGold	NGD	**7,270.4**	3.58	-0.77	**-17.68**
HMN Fnl	HMNF	**3.4**	4.03	-0.72	**-15.16**
ChMedTech ADS	CMED	**2,197.4**	12.97	-2.18	**-14.39**
KulckSoffa	KLIC	**929.6**	4.58	-0.73	**-13.68**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.39	$5.53	**Taiwan Semi**	TSM	**15,704.6**	$10.35	-0.43	**-3.99%**
76.49	24.53	**BHP Billiton**	BHP	**1,811.1**	73.68	-2.12	**-2.80**
3.87	1.62	**Utd Microelectronics**	UMC	**1,593.2**	3.58	-0.21	**-5.54**
18.80	12.59	**SK Telecom**	SKM	**1,246.8**	17.15	-0.16	**-0.94**
15.95	8.56	**China Unicom**	CHU	**1,166.7**	13.38	-0.30	**-2.19**
8.19	3.14	**Siliconware Prec Ind**	SPIL	**935.3**	7.08	-0.26	**-3.54**
59.22	38.51	**China Mobile**	CHL	**930.2**	49.31	0.20	**0.41**
11.73	4.78	**AU Optrncs**	AUO	**863.2**	9.61	-0.24	**-2.44**
30.82	15.64	**Sony**	SNE	**833.8**	26.84	-1.41	**-4.99**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**524.8**	5.15	-0.21	**-3.92**
9.50	3.96	**Nomura Hldgs**	NMR	**513.9**	6.38	-0.41	**-6.04**
52.68	21.10	**Infosys Tech**	INFY	**472.3**	50.66	-1.39	**-2.67**
76.61	33.93	**China Life Ins**	LFC	**427.6**	73.56	-1.76	**-2.34**
4.63	1.36	**Adv Semi Engrg**	ASX	**416.8**	4.25	-0.11	**-2.52**
94.00	46.45	**China Petro & Chem**	SNP	**339.2**	86.68	-2.38	**-2.67**
15.29	6.85	**Korea Elec Pwr**	KEP	**328.1**	14.24	-0.27	**-1.86**
32.79	8.11	**Aluminum Cp of China**	ACH	**326.6**	27.62	-0.74	**-2.61**
21.93	8.87	**Nidec**	NJ	**297.7**	19.29	-0.89	**-4.41**
32.99	17.35	**Honda Motor**	HMC	**286.7**	30.37	-1.40	**-4.41**
19.56	15.05	**ChunghwaTel**	CHT	**282.2**	17.72	-0.37	**-2.05**
20.17	4.05	**Yanzhou Coal Mining**	YZC	**265.8**	19.20	-0.57	**-2.88**
38.82	16.57	**Telekom Indonesia**	TLK	**263.4**	38.35	-0.25	**-0.65**
135.92	63.62	**PetroChina**	PTR	**243.7**	127.18	-2.83	**-2.18**
41.25	21.23	**Canon**	CAJ	**242.4**	37.04	-1.59	**-4.12**
87.67	55.41	**Toyota Motor**	TM	**197.3**	77.22	-2.17	**-2.73**
17.66	9.94	**KT Corp**	KTC	**188.5**	16.82	-0.20	**-1.18**
4.00	0.87	**SemiMfgInt**	SMI	**150.5**	3.15	-0.05	**-1.56**
150.50	42.35	**POSCO**	PKX	**133.3**	119.33	-2.43	**-2.00**
56.41	29.81	**ChinaTele**	CHA	**125.3**	45.25	-0.83	**-1.80**
167.15	60.57	**CNOOC**	CEO	**123.8**	159.35	-4.59	**-2.80**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

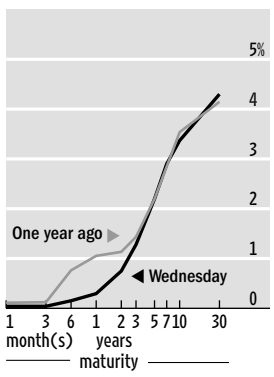
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.508%**	**380.8**	382.9	386.5	**232.2**	**4.590%**	4.839%	**3.395%**
4.500	10	**5.475**	**214.8**	217.0	229.0	**151.2**	**5.530**	5.684	**4.850**
5.250	**Austria** 2	**0.854**	**15.4**	11.7	10.8	**125.2**	**0.878**	1.082	**2.325**
4.350	10	**3.597**	**27.0**	24.5	34.3	**78.1**	**3.605**	3.737	**4.119**
3.500	**Belgium** 2	**1.030**	**33.0**	26.5	27.2	**154.3**	**1.026**	1.246	**2.616**
4.000	10	**3.630**	**30.3**	27.7	34.8	**83.3**	**3.637**	3.742	**4.171**
1.250	**Canada** 2	**1.275**	**57.5**	55.4	48.0	**83.8**	**1.315**	1.454	**1.911**
3.750	10	**3.402**	**7.5**	2.8	11.2	**16.7**	**3.388**	3.506	**3.505**
4.000	**Denmark** 2	**2.172**	**147.2**	144.2	145.7	**229.3**	**2.203**	2.431	**3.366**
4.000	10	**3.588**	**26.1**	27.5	28.2	**64.0**	**3.635**	3.676	**3.978**
1.500	**France** 2	**1.224**	**52.4**	48.1	50.4	**146.0**	**1.242**	1.478	**2.533**
3.750	10	**3.544**	**21.7**	18.7	23.9	**54.4**	**3.547**	3.633	**3.882**
1.250	**Germany** 2	**1.289**	**58.9**	43.2	45.8	**109.1**	**1.193**	1.432	**2.164**
3.250	10	**3.263**	**-6.4**	-6.5	-9.2	**22.3**	**3.295**	3.302	**3.561**
0.550	**Hong Kong** 2	**0.555**	**-14.5**	-18.6	-44.0	**-28.5**	**0.575**	0.534	**0.788**
2.640	10	**2.304**	**-102.3**	-105.9	-110.6	**-179.2**	**2.301**	2.288	**1.546**
3.750	**Italy** 2	**1.462**	**76.2**	68.1	68.6	**205.2**	**1.442**	1.660	**3.125**
4.250	10	**4.045**	**71.8**	68.1	64.7	**121.4**	**4.041**	4.041	**4.552**
0.300	**Japan** 2	**0.240**	**-46.0**	-51.6	-71.9	**-52.8**	**0.245**	0.255	**0.545**
1.300	10	**1.290**	**-203.7**	-206.0	-208.4	**-183.3**	**1.300**	1.310	**1.505**
4.000	**Netherlands** 2	**0.865**	**16.5**	10.7	9.3	**125.9**	**0.868**	1.067	**2.332**
4.000	10	**3.508**	**18.1**	15.6	22.6	**52.3**	**3.516**	3.620	**3.861**
3.200	**Portugal** 2	**1.113**	**41.3**	35.6	36.7	**191.9**	**1.117**	1.341	**2.992**
4.750	10	**3.786**	**45.9**	42.2	50.5	**91.1**	**3.782**	3.899	**4.249**
5.350	**Spain** 2	**1.331**	**63.1**	56.3	60.3	**161.0**	**1.324**	1.577	**2.683**
4.300	10	**3.824**	**49.7**	46.8	48.5	**73.1**	**3.828**	3.879	**4.069**
4.000	**Switzerland** 2	**0.450**	**-25.0**	-27.4	-42.3	**53.9**	**0.487**	0.551	**1.612**
3.000	10	**2.004**	**-132.3**	-136.7	-124.4	**-94.6**	**1.993**	2.150	**2.392**
3.250	**U.K.** 2	**1.246**	**54.6**	46.9	-9.7	**107.9**	**1.230**	0.877	**2.152**
4.500	10	**3.654**	**32.7**	31.5	21.5	**70.2**	**3.675**	3.609	**4.040**
1.000	**U.S.** 2	**0.700**	**...**	...	...	**...**	**0.761**	0.974	**1.073**
3.375	10	**3.327**	**...**	...	...	**...**	**3.360**	3.394	**3.338**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.299%**	16.70	–0.70 %	–3.39 %	–21.73 %	1.16 %
10-year Treasury	**3.368**	8.42	0.41	0.02	–6.14	4.79
7 Year Treasury	**2.900**	6.21	0.70	0.81	...	...
Five-year Treasury	**2.197**	4.65	0.69	1.09	1.06	5.13
Ryan Index	**2.465**	6.80	0.35	0.03	–4.37	4.37
3 Year Treasury	**1.279**	2.92	0.62	0.94	2.02	3.73
Two-year Treasury	**0.749**	1.93	0.35	0.65	1.78	2.91
1 Year Treasury	**0.295**	1.00	0.13	0.25	1.01	1.82
Six-month Treasury	**0.152**	0.50	0.03	0.06	0.63	1.13
Ryan Cash Index-a	**0.132**	0.46	0.05	0.09	0.53	0.87
Three-month bill	**0.041**	0.25	0.02	0.05	0.36	0.40
One-month bill	**0.041**	0.08	...	0.01	0.14	0.15

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	4.00%
Canada	**2.25**	4.00
Japan	**1.475**	1.675
Britain	**0.50**	3.00
ECB	**1.00**	3.25
Switzerland	**0.52**	2.27
Australia	**3.50**	5.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23656%**	1.39875%
Three month	**0.26656**	2.15313
Six month	**0.49250**	2.54375
One year	**1.03375**	2.70500

	Latest	52 wks ago
Euro Libor		
One month	**0.40000%**	3.60125%
Three month	**0.67563**	4.06000
Six month	**0.97625**	4.10750
One year	**1.21250**	4.16500
Hibor		
One month	**0.07036**	1.00071%
Three month	**0.13036**	2.00000
Six month	**0.32929**	2.29929
One year	**0.60000**	2.49929
Asian dollars		
One month	**0.2445%**	1.41%
Three month	**0.2758**	2.1420
Six month	**0.5063**	2.5780
One year	**1.0500**	2.7420

	Offer	Bid
Eurodollars		
One month	**0.2800%**	0.1800%
Three month	**0.3800**	0.2800
Six month	**0.6000**	0.5000
One year	**1.5000**	0.7500

	Latest	52 wks ago
U.S. discount	**0.50%**	1.25%
Fed-funds target	**0.25**	1.00
Call money	**2.00**	2.75
Overnight repurchase rates		
U.S.	**0.13%**	0.33%
U.K. (BBA)	**0.485**	2.767
Euro zone	**0.35**	2.84

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Thursday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**.
Also, receive emails that summarize the day's trading in Europe and Asia.
To sign up, go to **WSJ.com/Email**

Asian index movers...

Nikkei Stock Average
Japan 9549.47
▼ **1.32% or 127.33**

MUFG's capital-raising plans caused concern about equity dilution, while a strong yen hurt exporters.. Banks declined, with MUFG down 3.7% and Mizuho Financial off 6.6%.

Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**405.80**	155	–11	–6.63
Mtshbsh Fin Grp	**121.54**	466	–18	–3.72
NEC	**121.16**	215	–7	–3.15
Toshiba	**74.32**	461	–4	–0.86
Nomura Hldgs	**55.85**	585	–30	–4.88

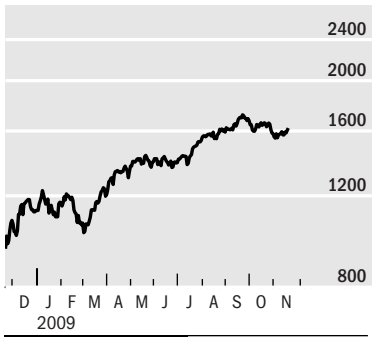
Sensex
India 16785.65
▼ **1.25% or 213.13**

Banks fell ahead of a parliamentary session that will consider changes in the insurance and banking sector, among other issues. ICICI Bank slid 2.2%.

Stock	Volume in millions	Close	Change Net	Change %
Jaiprak Asso-A	**3.02**	226.70	–10.75	–4.53
Dlf-A	**2.68**	366.35	–14.00	–3.68
Tata Steel-A	**2.49**	537.30	–9.60	–1.76
Hindalco-A	**1.71**	129.85	–4.65	–3.46
Reliance Com-A	**1.24**	172.45	–4.25	–2.41

Kospi
South Korea 1620.54
▲ **1.03% or 16.57**

Exporters' shares rose after having struggled over the past few weeks because of a stronger won. Samsung Electronics climbed 1.2%, and Hyundai Motor gained 1.5%.



Stock	Volume in millions	Close	Change Net	Change %
Kco Energy	**17.05**	640	80	14.29
Gkl	**15.18**	15,850	unch	...
Hynix Semi	**8.67**	19,250	500	2.67
Kedcom	**7.77**	110	10	10.00
Samyang Optics	**6.67**	780	20	2.63

Hang Seng
Hong Kong 22643.16
▼ **0.86% or 197.17**

Gains in local property firms narrowed the market's decline on news Hong Kong's government will put two sites up for sale in December. Sino Land advanced 1.7%.

Stock	Volume in millions	Close	Change Net	Change %
Bank Of China	**315.88**	4.73	–0.10	–2.07
Icbc	**222.62**	6.85	–0.17	–2.42
ChinaPetroChem	**161.34**	6.84	–0.05	–0.73
CCB	**145.45**	7.16	–0.18	–2.45
PetroChina	**67.53**	10.08	–0.04	–0.40

Asian stocks in the news

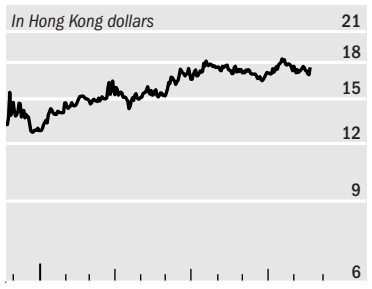
China Res Enterpr
Hong Kong HK$25.60
▲ **3.6% or HK$0.90**

The company posted a 55% rise in quarterly profit.

		Daily	1 wk.	52 wks
Price-to-earnings ratio				**31**
Earnings per share, past four quarters				**0.83**
Dividend yield				**1.5**
	PERCENTAGE CHANGE			
Indus Gds & Svcs		**-0.6%**	-1.5%	62.1%
China Res Enterpr		**3.6%**	-3.8%	128.6%

Link Real Est Invt Tr
Hong Kong HK$17.56
▲ **3.8% or HK$0.64**

First-half distributable income rose 19.3% on higher rental income.



		Daily	1 wk.	52 wks
Price-to-earnings ratio				**61**
Earnings per share, past four quarters				**0.29**
Dividend yield				**4.8**
	PERCENTAGE CHANGE			
Real Estate		**-1.1%**	-1.6%	70.8%
Link Real Est Invt Tr		**3.8%**	0.2%	32.0%

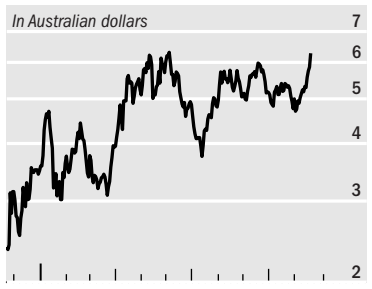
Insurance Australia Grp
Australia A$4.21
▲ **5.0% or A$0.20**

Investors bet that former suitor QBE Insurance would bid for IAG, based on media speculation.

		Daily	1 wk.	52 wks
Price-to-earnings ratio				**45**
Earnings per share, past four quarters				**0.09**
Dividend yield				**1.4**
	PERCENTAGE CHANGE			
Insurance		**-1.1%**	0.4%	38.1%
Insurance Australia Grp		**5.0%**	5.0%	20.3%

Aquarius Platinum
Australia A$6.28
▲ **7.2% or A$0.42**

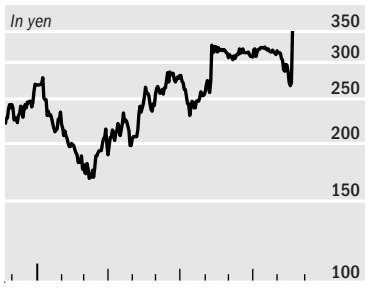
Platinum rose, and the firm said it is going to bring a South Africa mine back into production.



		Daily	1 wk.	52 wks
Price-to-earnings ratio				**none**
Earnings per share, past four quarters				**-0.16**
Dividend yield				**none**
	PERCENTAGE CHANGE			
Basic Resources		**-1.2%**	1.3%	119.2%
Aquarius Platinum		**7.2%**	18.0%	163.6%

Mitsubishi Rayon
Japan ¥351
▲ **29.5% or ¥80**

Mitsubishi Chemical will acquire the firm at about a 40% premium to Wednesday's closing price.



		Daily	1 wk.	52 wks
Price-to-earnings ratio				**none**
Earnings per share, past four quarters				**-14.20**
Dividend yield				**none**
	PERCENTAGE CHANGE			
Chemicals		**-0.2%**	-0.8%	52.7%
Mitsubishi Rayon		**29.5%**	18.6%	59.5%

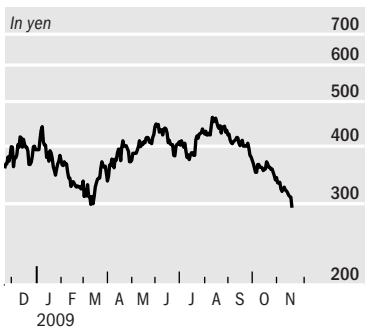
Fast Retailing
Japan ¥16,360
▼ **5.1% or ¥880**

The stock pulled back after rising sharply this week to a fresh 2009 intraday high.

		Daily	1 wk.	52 wks
Price-to-earnings ratio				**28**
Earnings per share, past four quarters				**584.50**
Dividend yield				**1.2**
	PERCENTAGE CHANGE			
Retail		**-1.3%**	1.1%	37.8%
Fast Retailing		**-5.1%**	-1.7%	73.3%

Mitsubishi Chem
Japan ¥294
▼ **5.2% or ¥16**

The firm said it will acquire Mitsubishi Rayon in a deal that could be valued at over $2 billion.



		Daily	1 wk.	52 wks
Price-to-earnings ratio				**none**
Earnings per share, past four quarters				**...**
Dividend yield				**2.7**
	PERCENTAGE CHANGE			
Chemicals		**-0.2%**	-0.8%	52.7%
Mitsubishi Chem		**-5.2%**	-8.1%	-17.9%

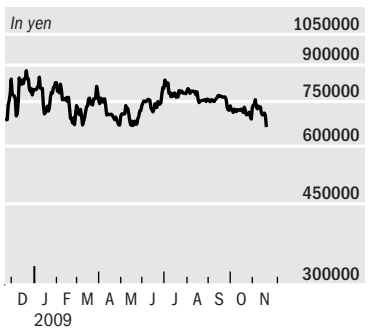
Shinsei Bank
Japan ¥102
▼ **5.6% or ¥6**

The stock is down 34% since the beginning of September.

		Daily	1 wk.	52 wks
Price-to-earnings ratio				**21**
Earnings per share, past four quarters				**4.90**
Dividend yield				**1.0**
	PERCENTAGE CHANGE			
Banks		**-1.4%**	-1.8%	62.5%
Shinsei Bank		**-5.6%**	-14.3%	-21.5%

Japan Real Estate Inv
Japan ¥660,000
▼ **5.7% or ¥40,000**

The company on Wednesday announced plans for a 31.8 billion yen share issue.



		Daily	1 wk.	52 wks
Price-to-earnings ratio				**none**
Earnings per share, past four quarters				**...**
Dividend yield				**2.9**
	PERCENTAGE CHANGE			
Real Estate		**-1.1%**	-1.6%	70.8%
Japan Real Estate Inv		**-5.7%**	-6.9%	-3.5%

Mizuho Financial Grp
Japan ¥155
▼ **6.6% or ¥11**

Some Japanese banks fell on concerns they may soon announce capital-raising plans.

		Daily	1 wk.	52 wks
Price-to-earnings ratio				**12**
Earnings per share, past four quarters				**13.20**
Dividend yield				**5.2**
	PERCENTAGE CHANGE			
Banks		**-1.4%**	-1.8%	62.5%
Mizuho Financial Grp		**-6.6%**	-11.9%	-22.2%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Housing bubble trouble

Is there a property bubble emerging in China? As ever, getting an answer is like nailing jelly to a wall.

Property prices across 70 large and midsize cities rose 3.9% in October from a year ago, the fastest annual growth rate this year and the fifth month in a row that prices have gone up. Still, a recent World Bank report suggests income growth in China is keeping up with the rise in prices.

And fundamental demand for improved housing should provide long-term support for Chinese house prices.

The picture is highly localized too.

In Shenzhen, prices are up nearly 14% from a year ago, and in major cities like Beijing affordability looks stretched. Still, three of the 70 Chinese cities surveyed saw house prices fall in October and, in several others, price gains remain subdued.

These variations haven't stopped the chorus of worried industry practitioners and regulators from growing louder.

A particular fear is that much of the expansion in bank lending this year has wound up in the hands of speculators who are bidding property prices higher.

So, bubble or not, policy makers could respond soon by reversing some of the measures taken a year ago to stoke the property market. Tighter controls on bank lending to property firms and the availability of mortgages for second and third homes are likely.

The trick for Beijing is balancing concerns over affordability, with the recognition that real-estate investment—up 19% year-to-year from January to October—has been a key driver of China's swift economic recovery. Land sales associated with this investment are an important source of income for China's local governments, too.

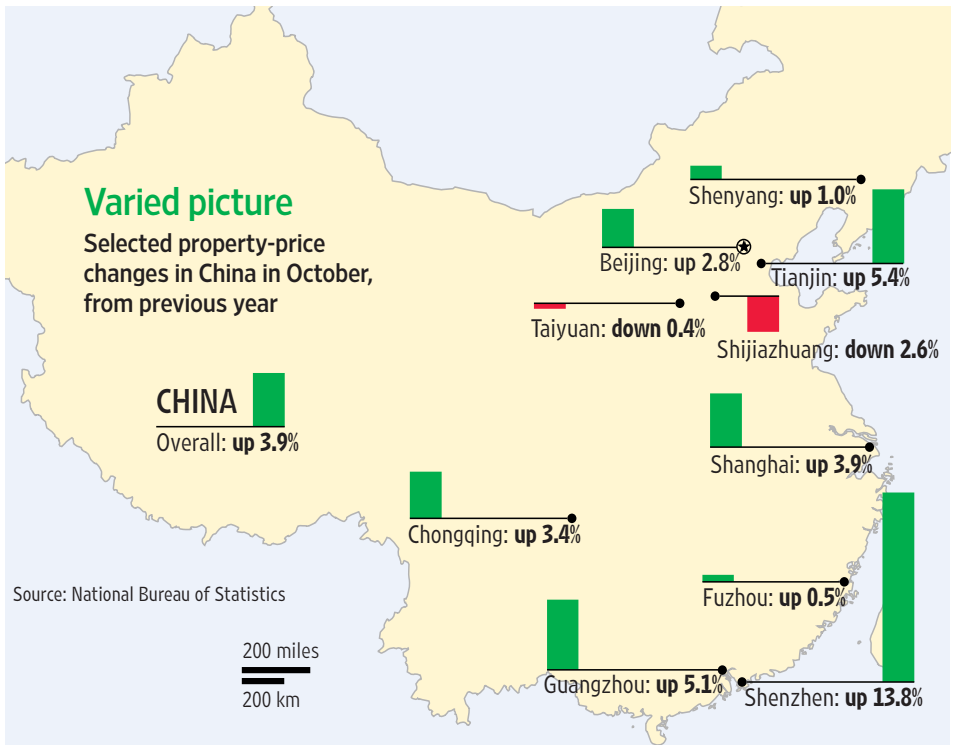
Some initiatives, like support for first-time buyers, will likely stay in place.

Longer term, Beijing could better avoid peaks and troughs by giving banks more freedom to set the price of credit and greater leeway over whom they lend to. That would mitigate the need for administrative measures that seem to lurch from stimulative to contractionary.

For sure, housing policy is a problem the world over right now.

In China, the authorities sometimes seem to make it harder for themselves.

—Andrew Peaple



OVERHEARD

Tax rebellion is back in Britain's overseas territories. **W. McKeeva Bush**, the Cayman Islands' premier, is defying U.K. pressure to introduce taxes to cover a $100 million deficit. He says the biggest threat to stability comes not from tax havens but from "metropolitan countries" with "their complete overburdening of taxation."

* * *

Authors are slugging it out with competing financial-crisis narratives. **Depository Trust & Clearing** is weighing in with the "Guide to Clearance & Settlement." Overheard welcomes the DTCC's modesty: "We don't expect our book to be a wild runaway New York Times best seller."

—overheard@wsj.com

It's make-believe vs. reality at Sony

Ten months after vowing to turn its fortunes around, **Sony** has hatched a plan. Investors who have followed the company in recent years know not to get their hopes up.

Certainly, hard targets—to cut procurement costs by 20% and distribution costs by 25%, for example—are welcome. The company also said it will halve the number of suppliers and double the outsourcing of television manufacturing to reduce costs.

Setting targets and meeting them, though, are very different things. Sony reminded investors of this Thursday as it repeated a longstanding goal of returning operating-profit margins to 5%, something it once hoped to do by early 2008.

Particularly bold is Sony's outline for its liquid-crystal TV-set business—a money loser for the past five years. The company expects to return the unit, which is struggling as prices continue to fall faster than costs, to profitability next year.

Moreover, Sony continues to lose market share. In the third quarter, its share of the global LCD-TV market, by shipments, fell to 8.7% from 13.7% a year earlier, CLSA says. In that context, a 20% market-share target is particularly ambitious.

Part of this hinges on a plan to rebalance global sales, which are heavily dependent on industrialized markets. But buyers in developing nations want cheap over fancy, so profitability could be elusive as Sony makes the shift. Already, competition in these markets is tough.

This hopefulness gets to the heart of Sony's problem: It operates in too many businesses, from insurance and movies to electronics, many of them at a loss and few of them as the market leader.

It risks repeating this mistake as it seriously considers entering the market for lithium-ion batteries for electric cars. With at least a dozen firms, many in partnership with auto makers, already in the space, the battery market is very likely to go the way of LCD TVs and semiconductors: oversupplied and unprofitable.

Investors who have followed the company know not to get their hopes up

Sony thinks it can turn its varied operations to its advantage by providing content, such as movies, to owners of its electronic devices, which number in the tens of millions. Doing so, Sony hopes, will earn it $3.3 billion by the year ending March 2013. It's a bit soon to get excited about this, given the company's lousy record for meeting projections.

Sony's new marketing slogan is "make.believe." Investors will know soon enough whether it should really be "make-believe."

—James Simms

WEEKEND JOURNAL. ASIA

Published with every Friday's edition of The Wall Street Journal Asia, Weekend Journal Asia explores the best of travel, fashion, film, dining, wines & spirits, art, sports and more, all with a distinctly Asian flavor.

See page W8 in today's issue for sushi tips including where to go, what to order and how to enjoy it.

Subscribe to The Wall Street Journal Asia at wsj-asia.com/sub/34.

Published by Dow Jones Publishing Company (Asia), Printed in Hong Kong by Superflag Advertising and Communication Limited, 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1, Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo, 7, Soonwha-Dong, Chung-Ku, Seoul 100-130. 1997 June 04 Registration no.: Seoul/A00020 (Daily Newspaper), Publisher/Editor/Printer: Song, Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No: 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Mel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3817 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post, 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (K.M. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd, 517B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida -201301 and PLOT No.EL-208, TTC Industrial Area, Mahape, Navi Mumbai -400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-1164620215. ACP no. F-2 (1/3) Press / 2009 FACSIMILE EDITION.